Seamless Multimodal Transportation Scheduling

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Ride-hailing services have expanded the role of shared mobility in passenger transportation systems, creating new markets and creative planning solutions for major urban centers. In this paper, we consider their use for last-mile passenger transportation in coordination with a mass transit service to provide a seamless multimodal transportation experience for the user. A system that provides passengers with predictable information on travel and waiting times in their commutes is immensely valuable. We envision that the passengers will inform the system in advance of their desired travel and arrival windows so that the system can jointly optimize the schedules of passengers. The problem we study balances minimizing travel time and the number of trips taken by the last-mile vehicles, so that long-term planning, maintenance, and environmental impact considerations can be taken into account. We focus our attention on the problem where the last-mile service aggregates passengers by destination. We show that this problem is NP-hard, and propose a decision diagram-based branch-and-price decomposition model that can solve instances of real-world size (10,000 passengers, 50 last-mile destinations, 600 last-mile vehicles) in time (∼1 minute) that is orders-of-magnitude faster than other methods appearing in the literature. Our experiments also indicate that single-destination last-mile service provides high-quality solutions to more general settings.

Key words: last-mile; mass transit; scheduling; decision diagrams; branch and price.

1. Introduction

Shared mobility is gradually changing how people live and interact in urban centers [Savelsbergh and Van Woensel 2016]. According to McKinsey & Company, the shared mobility market for China, Europe, and the United States totalled almost $54 billion in 2016, and it is expected to grow at least 15% annually over the next 15 years [Grosse-Ophoff et al. 2017]. There is wide interest in integrating these emerging modes of transportation with public transit systems throughout the
country, as is indicated by the U.S. Department of Transportation (McCoy et al. 2018), with wide interest expressed for collaboration by other key stakeholders (including both companies and public sector entities signing the Shared Mobility Principles for Livable Cities (Chase 2017)). One of the expected new frontiers is the use of autonomous vehicles, which in combination with other modes may considerably reduce traffic in congested areas by offering a convenient alternative to car ownership.

In this paper, we consider the use of shared vehicles such as a bus, van or taxi in the last-mile passenger transportation, a particular form of transportation on demand (Cordeau et al. 2007). Last-mile transportation is defined as a service that delivers people from a hub of mass transit service to each passenger’s final destination. Mass transit services can comprise air, boat, bus, or train. The last-mile service can be facilitated by bike (Liu et al. 2012), car (Shaheen 2004, Thien 2013), autonomous pods (Shen et al. 2017), or personal rapid transit systems. Although last-mile may also refer to the movement of goods in supply chains, home-delivery systems, and telecommunications, we will restrict our attention in this paper exclusively to the transportation of people. A last-mile service expands the access of mass transit to an area wider than that defined as “walking distance” of a transportation hub. Interest in the design and operation of last-mile services has grown tremendously in the past decade. This has been driven primarily by three factors (Wang 2017): (i) governmental push to reduce congestion and air pollution; (ii) increasing aging population in cities; and (iii) providing mobility for the differently abled and school children.

Figure 1 shows a typical scenario for the operation of mass transit in conjunction with a last-mile service. All passengers start their journey from mass transit stations served, for example, by a train,
and request transportation to their destinations within a time-window. Destinations can represent offices for specific buildings or a location, such as a bus stop, that serves multiple buildings that are easily accessed on foot. These destinations can be accessed by paths that may be exclusive to last-mile vehicles or by means of existing road infrastructure. For convenience, we will refer to the vehicle providing last-mile service as a *commuter vehicle* (CV). The CVs are typically parked at a terminal ($T_0$) at which passengers arrive from mass transit services and proceed to their respective destination buildings by sharing a ride in a CV. The last-mile service may represent the morning commute to the office or the evening commute back to residences. Once all passengers are delivered to their destinations, the CVs return back to the terminal for subsequent trips.

Such an application is timely and well suited for integrated prescriptive analytics. This type of system is already realizable in practice by integrating with ride-hailing services such as conventional taxi services, Uber, and Lyft. The advent and preponderance of driverless mobility services will further benefit this system since this would alleviate key operational costs and constraints associated with human resources. We stress at this point that the approach developed in this paper is agnostic to the choice of human-driven or driverless vehicles for the last-mile service. Moreover, the peak use of the system is expected to coincide with morning and afternoon work commutes, which can be made predictable by design: work commuters often know in advance when they would like to arrive at work and would be willing to provide such information in advance for better service. Finally, note that the *first-mile* operation, wherein the passengers first ride on CVs to reach a hub of a mass transit service can be easily accommodated in an analogous manner.

Therefore, we envision an operational scenario such as in Figure 2, whereby the passengers indicate their station of origin, destination, and the desired time-window of arrival at the destination.
This information is assumed to be available to the scheduler only slightly in advance of scheduling decisions. For instance, consider the situation where the destinations represent buildings with offices and the passengers enter requests through a smartphone app an hour prior to their commute. Once all requests have been received for a certain time-period, the scheduler determines for each user: (i) the mass transit trip to board at their station of origin; (ii) the CV to board at $T_0$; (iii) the time the CV will depart from $T_0$; and (iv) the time of arrival at the destination. The scheduler also communicates to the different CVs the routes, start times, and list of passengers. The choice of route determines the times of arrival of passengers at their destination and the total time spent by the passengers in the CV.

This application characterizes what we denote as the Integrated Last-Mile Transportation Problem (ILMTP). The ILMTP is defined as the problem of scheduling passengers jointly on mass transit and last-mile services so that the passengers reach their destinations within specified time-windows. We propose to minimize a linear combination of the total transit time for all passengers and the number of trips required. The former quantity captures the quality of service provided; the latter addresses fuel consumption, long-run operational costs, and environmental considerations. Transit time includes the time spent traveling in both transportation modes and waiting between both services. In determining the schedules on the last-mile service, the solution of the ILMTP also specifies the set of passengers that share a ride in a CV. The time spent by the passengers in the CV also depends on the co-passengers.

1.1. Focus of this paper

This paper proposes algorithms that are scalable to real-world multimodal transportation systems and can be readily deployed. Our experimental evaluation indicates that the algorithms developed can obtain operational decisions in one minute to problems with 10,000 passengers, 50 destinations and 600 vehicles that general-purpose techniques are not able to solve in reasonable time. We also obtain high-quality solutions to more general problems than the one we focus on, finding heuristic solutions in seconds to problem instances for which other approaches in the literature cannot find a feasible solution in three hours.

More specifically, we extend results first described in Raghunathan et al. (2018), where a single-destination-per-trip (SDPT) assumption is also imposed. We note that this assumption can be regarded as a technical constraint of the business model. First, users do not want to be delayed due to other passengers leaving the car in previous stops, especially if the distance between these stops is walkable. Second, the literature on last-mile transportation regards the use of existing destinations, such as bus stops, as an effective aggregator of individual destinations (Stiglic et al. 2015, Mahéo et al. 2018). We can observe some instances of this logic in practice, such as the new
Uber Express POOL service (Uber 2018), which embodies these considerations by creating shared rides with a single origin and destination to which users are directed.

The main contributions of the paper can be summarized as follows:

- **Computational Complexity:** We show that the ILMTP with the SDPT assumption, which, for simplicity, we refer to simply as the ILMTP-SD unless otherwise noted, is NP-Hard. This shows that the simplifying assumption does not render the problem computationally easier to solve and developing an efficient algorithm is necessary.

- **Structure of Optimal Solutions:** The optimal solutions to the ILMTP-SD are shown to satisfy an ordering property when the travel time on the last-mile travel is time-dependent. This result generalizes the optimal structure shown in Raghunathan et al. (2018) [Theorem 1].

- **Decision Diagram (DD)-based Algorithm:** Based on the structure of optimal solutions, we describe a novel optimization algorithm based on a DD representation of the space of solutions to the ILMTP-SD. Our approach builds on a state-space decompositions (Bergman and Cire 2016, 2018), which is an outgrowth of the growing body of literature on DD-based optimization (Bergman et al. 2011, 2016).

- **Branch-and-price DD decomposition:** We improve the performance of the proposed DD algorithm by developing a branch-and-price scheme (Barnhart et al. 1998) through which columns are generated from paths in those decision diagrams. This scheme could be easily adapted to other problems in which such a DD-based algorithm is devised.

- **Numerical Evaluation:** A thorough experimental evaluation indicates that the proposed model is orders-of-magnitude faster than existing techniques for the ILMTP-SD. We also report the performance of the proposed approach on instances where the said assumptions for ordering property are violated, namely (i) mass transit service also includes express trains; and (ii) CVs make stop multiple stops in the last-mile. We show that even in these settings the potential loss of optimality incurred by the SDPT assumption is insignificant for all practical purposes, in that existing models are often unable to find a single feasible solution in hours while the algorithm here proposed can prove optimality for the restricted version in seconds, and thus can be employed as an effective heuristic in those cases.

1.2. Related work

The ILMTP can be broadly viewed as an instance of routing and scheduling with time-windows. We survey the relevant literature and describe the key differences with this paper.

The literature on last-mile transportation has been mostly focused on the last-mile service, without much consideration to the mass transit system. Seminal work in this area dates back to the 1960s and has focused mostly on freight transportation (see Wang (2017) for a discussion). For
passenger transportation, a number of case studies has analyzed the last-mile problem in different contexts, such as a bicycle-sharing program in Beijing (Liu et al. 2012). Wang (2017) is the first work to consider routing and scheduling in the last-mile, where the minimization of total travel time is considered and the author proposes a heuristic approach for constructing solutions. The ILMTP is a strict generalization of Wang (2017), in that we consider time-windows for arrival and scheduling on the mass transit service. More recently, Mahéo et al. (2018) approached the design of a public transit system that includes multiple modes of transportation, however the authors did not consider scheduling aspects. Our paper in particular further contributes with an optimal approach to scheduling passengers in the last-mile. Furthermore, it also complements the work of Mahéo et al. (2018) by focusing exclusively on the scheduling aspects of multi-modal transportation. Agussurja et al. (2018) propose a markov decision process based vehicle dispatch policy for the multiperiod last-mile ride-sharing problem.

Personal Rapid Transit (PRT) has similarities to the last-mile problem and has attracted significant attention in the past decade. Research has been conducted on PRT system control frameworks (Anderson 1998), financial assessments (Bly and Teychenne 2005, Berger et al. 2011), performance approximations (Lees-Miller et al. 2009, 2010), and case studies (Mueller and Sgouridis 2011). However, none of these papers have addressed last-mile operational issues.

On the other hand, a large body of research has been devoted to Demand Responsive Transit (DRT), which is another type of on-demand service. Some papers focus on DRT concept discussions, practical implementation, and assessment of simulations in case studies (Brake et al. 2004, Horn 2002b, Mageean and Nelson 2003, Palmer et al. 2004, Quadrifoglio et al. 2008). Models have been developed to assist in system design and regulation (e.g., Daganzo 1978, Diana et al. 2006, Wilson and Hendrickson 1980). Routing options in specific contexts have also been considered (Chevrier et al. 2012, Horn 2002a). The last-mile service can be viewed as a specific variant of a broadly defined DRT concept—namely, a demand responsive transportation system that addresses last-mile service requests with batch passenger demand and a shared passenger origin. The same can be assumed with respect to ride-sharing models in general (Agatz et al. 2012). Unlike most papers in the DRT literature, however, we also focus on scheduling the mass transit service and the last-mile optimization from an operational perspective.

A much broader stream of related work consists of vehicle routing problems, which have long been studied and comprise a large body of literature. The vehicle routing problem with time windows (VRPTW) has been the subject of intensive study, with many heuristic and exact optimization approaches suggested in the literature. A thorough review of the VRPTW literature can be found in Toth and Vigo (2014). The dial-a-ride problem (DARP) and related variations have also been extensively investigated (Cordeau and Laporte 2007, Jaw et al. 1986, Lei et al. 2012). As argued
by Wang (2017), the VRPTW focuses on reducing operating costs while the ILMTP aims to improve the level-of-service by minimizing total passenger transit time. The typical size of the problems that can be solved to optimality for the VRPTW and DARP are on the order of 100’s of requests and 10’s of vehicles. This is far smaller than the size of the instances that we solve to optimality in this paper. Although solving the problem optimally is difficult for large-size instances, good heuristics exist for the problem, which include the Savings algorithm of (Clarke and Wright 1964) and its variants and insertion heuristics (Vigo 1996, Salhi and Nagy 1999, Campbell and Savelsbergh 2004).

Finally, the computational approach introduced in this paper calls for modeling problems using disjoint and connected decision diagrams. Decision diagram-based optimization is an emerging field within computational optimization (Andersen et al. 2007, Bergman et al. 2011, Gange et al. 2011, Cire and van Hoeve 2013, Bergman et al. 2016, Perez and Régis 2017). The idea used in this paper is to model a problem with a set of decision diagrams, solved by a network-flow reformulation, an idea introduced by Bergman and Cire (2016, 2018). This paper introduces the idea of using a path-based model for solving the resulting network-flow reformulation, an idea similar to that investigated by Morrison et al. (2016) for the vertex coloring problem, but, to the best knowledge of the authors, is the first application to multi-valued decision diagrams.

In summary, the ILMTP has the following features that distinguishes it from previous studies in the literature:

- joint scheduling of passengers on mass transit systems and last-mile services;
- consideration of time-windows on arrival at destination;
- common last-mile origin (which is also the vehicle depot);
- weighted minimization of the total passenger transit time and number of CV trips.

The ILMTP therefore models real-world transportation systems that are prevalent across the globe, and this paper provide a mechanism for which optimal operational decisions can be made.

2. Problem Description and Mathematical Formulation

In this section we provide a formulation of the ILMTP-SD. Prior to that, we describe the different elements in the ILMTP-SD such as the mass transit system, last-mile vehicles, destinations, passenger requests and associated parameters such as the travel time associated with the transportation services, time windows for arrival etc.

**Mass transit system:** For the sake of convenience, we will assume that the mass transit is a train system. Let $T_0$ be the terminal station that links a mass transit system with a last-mile service system. The mass transit system is described by a set of trips, denoted by $C$, with $n_c := |C|$. Each trip originates at a station in set $S$ and ends at $T_0$. The trips are regular in the sense that the train
stops at all stations in $S$ sequentially, with $T_0$ as the last stop of each trip. The time a trip $c$ leaves station $s \in S$ is $t(c, s)$ and the time it arrives to the terminal is $\tilde{t}(c)$. This paper only concerns with the moving portion of the mass transit commute and so it assumes that each passenger arrives at the station of origin at the time that the mass transit trip is departing that location. The time that a passenger waits in such stations is not of concern in our objective or constraints.

**Destinations:** Let $D$ be the set of destinations where the CVs make stops, with $K := |D|$, where we assume $T_0 \in D$. For each destination $d \in D$, let $\tau(d)$ be the total time it takes a CV to depart $T_0$, travel to $d$ (denoted by $\tau^1(d)$), stop at $d$ for passengers to disembark (denoted by $\tau^2(d)$), and return to $T_0$ (denoted by $\tau^3(d)$). Therefore, $\tau(d) = \tau^1(d) + \tau^2(d) + \tau^3(d)$. Let $\mathcal{T} := \{1, \ldots, t_{\text{max}}\}$ be an index set of the operation times of both systems. We assume that the time required to board passengers into the CVs is incorporated in $\tau^1(d)$. For simplicity, the boarding time is independent of the number of passengers. A passenger arrives to a destination $\tau^1(d)$ time units after departing from the terminal.

**Last-mile system:** Let $V$ be the set of CVs, with $m := |V|$. Denote by $v^\text{cap}$ the number of passengers that can be assigned to a single CV trip. Each CV trip consists of a set of passengers boarding the CV, traveling from $T_0$ to a destination $d \in D$, and then returning back to $T_0$. Therefore, passengers sharing a common CV trip must request transportation to a common building. We also assume that each CV must be back at the terminal by time $t_{\text{max}}$.

**Passengers:** Let $J$ be the set of passengers. Each passenger $j \in J$ requests transport from a station $s(j) \in S$ to $T_0$, and then by CV to destination $d(j) \in D$, to arrive at time $t^r(j)$. The set of passengers that request service to destination $d$ is denoted by $J(d)$. Let $n := |J|$ and $n_d := |J(d)|$. Each passenger $j \in J$ must arrive to $d(j)$ between $t^r(j) - T_w$ and $t^r(j) + T_w$.

**Problem Statement:** The ILMTP-SD is the problem of assigning train trips and CVs to each passenger so that the total transit time and the number of CV trips utilized is minimized. A solution therefore consists of a partition $g = \{g_1, \ldots, g_\gamma\}$ of $J$, with each group $g_l$ associated with a departure time $t^d_l$, for $l = 1, \ldots, \gamma$, which indicates the time the CV carrying the passengers in $g_l$ departs $T_0$, satisfying all request time and operational constraints. For any passenger $j \in J$, let $g(j)$ be the group in $g$ that $j$ belongs to.

To balance the potentially conflicting objectives, the objective function we consider is a convex combination of objective terms, defined by $\alpha$, $0 \leq \alpha \leq 1$. Hence, we balance these objectives by using $\alpha$ times the waiting time plus $(1 - \alpha)$ times the number of CVs, which is therefore used as our objective function, represented as $f(\alpha)$.

### 2.1. IP Model

In this section we present an improved IP model for the ILMTP-SD, which is based on the one from Raghunathan et al. (2018). For simplicity, we present the model for the case where the travel
time on the CV is independent of the start time at the $T_0$. The variables in our model are as follows:

- $tt_j$: total travel time for each passenger $j \in J$
- $x_{j,c}$: indicator if each passenger $j \in J$ is assigned to each train trip $c \in C$
- $z_{j,t}$: indicator if passenger $j \in J$ leaves $T_0$ at time $t \in T$
- $n_t$: number of CVs parked in $T_0$ at time $t \in T$
- $n_{d,t}$: number of CVs assigned to destination $d \in D$ to depart $T_0$ at time $t \in T$

An optimization model for ILMTP-SD is as follows:

$$\min \quad f(\alpha) = \alpha \cdot \sum_{j \in J} tt_j + (1 - \alpha) \cdot \sum_{d \in D} \sum_{t \in T} n_{d,t}$$

s.t.  
$$tt_j = \sum_{t \in T} \left( t + \tau^1(d(j)) \right) \cdot z_{j,t} - \sum_{c \in C} \tilde{t}(c, s(j)) \cdot x_{j,c}, \quad \forall j \in J$$

$$\sum_{t \in T} z_{j,t} = 1, \quad \forall j \in J$$

$$\sum_{c \in C} x_{j,c} = 1, \quad \forall j \in J$$

$$t^r(j) - T_w \leq \sum_{t \in T} \left( t + \tau^1(d) \right) z_{j,t} \leq t^r(j) + T_w, \quad \forall j \in J$$

$$n_t = n_{t-1} + \sum_{d \in D} n_{d,t-\tau(d)} - \sum_{d \in D} n_{d,t} \quad \forall t \in T$$

$$\sum_{j \in J(d)} z_{j,t} \leq v^{cap} \cdot n_{d,t} \quad \forall d \in D, \forall t \in T$$

$$\sum_{j \in J(d)} z_{j,t} \geq v^{cap} \cdot (n_{d,t} - 1) + 1 \quad \forall d \in D, \forall t \in T$$

$$tt_j \geq 0, \quad \forall j \in J$$

$$x_{j,c} \leq 1 - z_{j,t}, \quad \forall c \in C, \forall t \in T : \tilde{t}(c) > t$$

$$x_{j,c} \in \{0, 1\}, \quad \forall j \in J, \forall c \in C$$

$$z_{j,t} \in \{0, 1\}, \quad \forall j \in J, \forall t \in T$$

$$n_t \geq 0, \quad \forall t \in T$$

$$n_{d,t} \geq 0, \quad \forall d \in D, \forall t \in T$$

$$n_0 = m.$$
the number of trips a CV takes is increased. Fewer CV trips results in fewer maintenance tasks as well as lower emissions, which is critical for long-term planning and for minimizing environmental impact. In the case of the ILMTP-SD with regular train trips, only the waiting time at the terminal varies across solutions taking the shortest route to each destination. Nevertheless, we use total travel time for consistency in the section on experiments where we relax SDPT and the regular train times assumption.

Constraints (IP.2) links the $t_t$ variables with the decision variables, in that, for every $j \in J$, $\sum_{c \in C} \tilde{t}(c, s(j)) x_{j,c}$ is the time the passenger leaves station $s(j)$ and $\sum_{t \in T} t \cdot z_{j,t}$ is the time the passengers leaves $T_0$. Constraints (IP.3) and (IP.4) ensure each passenger is assigned to one mass transit trip and one CV trip. Constraints (IP.5) ensure that each passenger arrives to the requested destination at the time requested. Constraints (IP.6) through (IP.8) are commonly-used cumulative constraints in scheduling, which bookmark the number of CVs in use at any given time. In contrast to previous formulations, the constant value 1 on constraint (IP.8) prevents empty CVs in feasible solutions. Constraint (IP.10) enforces that the start time of the CV trip for passengers is at least after arriving on the assigned train. Finally, Constraints (IP.9) through (IP.14) enforce bounds, binary restrictions, and initial conditions, as necessary.

Note that (IP) can be extended to handle time-dependent travel times on the CV by replacing the occurrence of $\tau^1(d), \tau(d)$ in (IP) with CV travel times that are dependent on the time of departure from $T_0$.

3. Complexity

It is known that generalizations of the ILMTP are NP-hard (Raghunathan et al. 2018). We show in this section that the ILMTP-SD is at least as hard, and in fact a much simpler version of the ILMTP-SD with a single mass transit service and CVs of unitary capacity is sufficient to define an NP-hard problem. The following proof is based on a reduction from the bin packing problem.

**Theorem 1.** Deciding whether there exists a feasible solution to the ILMTP-SD is NP-complete.

**Proof.** We first show that the feasibility of the ILMTP-SD is in NP. If we are given a solution consisting of the CV boarded by each passenger and the boarding time, then we can easily verify the feasibility of the solution. First, we check if, for each passenger, there is a mass transit service that could bring the passenger to the terminal before the boarding time. In the worst case, this is proportional to the number of passengers times the number of mass transit trips. Second, for each CV we define a vector of tuples, each of which consists of the boarding time and destination of a passenger using that CV. After sorting each of those vectors by the boarding times, we check with a linear of the vectors if (i) passengers boarding the CV at the same time have the same
destination; and (ii) the time between consecutive trips is sufficient for the CV to return to the terminal.

Next, we show that a decision version of the bin packing problem can be reduced in polynomial time to the feasibility of the ILMTP-SD. The bin packing problem can be stated as: Given a set of bins $B_1, B_2, \ldots$ with identical capacity $V$ and a list of $n$ items with sizes $a_1, \ldots, a_n$, does there exist a packing using at most $M$ bins?

The Karp reduction (Karp 1972) is as follows. We define an ILMTP-SD instance with $n$ passengers and $M$ CVs, where passenger $p_i$ corresponds to item $i$ of the bin packing problem. Each of those passengers has a distinct destination $d_i$ and the round trip time is $\tau(d_i) = a_i$. Furthermore, we assume that there is a single mass transit trip that can bring these passengers to $T_0$ and that it arrives at $T_0$ at time $t_0$, whereas the CVs must return to $T_0$ by time $t_{\text{max}} = t_0 + V$. Finally, the origin of each passenger is irrelevant, the capacity of each CV is $v_{\text{cap}} = 1$, we assume a time window $T_w = +\infty$, and the objective coefficient $\alpha = 1$.

If there is a feasible solution to the ILMTP-SD problem above, then the bin packing problem has an affirmative answer. Namely, let $\mathcal{P}^i$ be the set of all passengers that board CV $i$ in the solution (on different trips since the CV capacity is 1). Assign the items corresponding to those passengers to bin $i$. Since the first passenger in $\mathcal{P}^i$ to board CV $i$ left $T_0$ after $t_0$ and the CV returned back to $T_0$ before $t_{\text{max}} = V$, the sum of the durations of the trips for the passengers in $i$ must not exceed $V$. Therefore the associated items fit into bin $i$. Hence, each CV corresponds to a bin and all passengers boarding a given CV are assigned to that bin, using at most $M$ bins.

Conversely, if there is no feasible solution the ILMTP-SD problem, then the bin packing problem has a negative answer. If the bin packing problem has a solution using at most $M$ bins, then we can construct a solution for the corresponding ILMTP-SD instance through the same transformation.

Therefore, the feasibility of the ILMTP-SD is as hard as the bin packing decision problem, which is known to be NP-complete (Garey and Johnson 1979).

**Corollary 1.** The ILMTP-SD is NP-hard.

**Proof.** Solving the ILMTP-SD implies solving its feasibility problem, which is NP-complete.

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### 4. Structure of Optimal Solution to ILMTP-SD

In this section we extend a result from Raghunathan et al. (2018) that exposes a structural property of optimal solutions to the ILMTP-SD to the case where the travel time in the CVs is time-dependent. We also prove a exponential lower bound on the number of solutions to the ILMTP-SD in Theorem 3. Note that the assumptions stated in Raghunathan et al. (2018) hold in the present context (see §2). The key structural property can be stated as:
Theorem 2. For all \( d \in D \), let \( J(d) = \{ j^d_1, \ldots, j^d_{n_d} \} \) represent a partitioning of \( J \) by destination and let \( J(d) \) be ordered so that, for \( 1 \leq i \leq n_d - 1 \), \( t^r(j^d_i) \leq t^r(j^d_{i+1}) \). There exists an optimal solution for which there are no triples of passengers \( j^d_{i_1}, j^d_{i_2}, j^d_{i_3} \) with \( i_1 < i_2 < i_3 \) for which \( j^d_{i_1} \) and \( j^d_{i_3} \) share a common CV trip without \( j^d_{i_2} \).

Theorem 2 indicates that one needs to only search over solutions which group passengers in CV trips sequentially by order of requested arrival times. We will exploit this result in order to create compact decision diagrams for each destination. The proof of this theorem follows directly from the proof of Theorem 1 from Raghunathan et al. (2018), where we note that in the exchange argument, no CV trips are added or deleted. For completeness, we provide the proof in Appendix A adapted to the notation introduced in this paper.

4.1. Extension to Time-dependent Travel Times on CVs

The ordering property shown in Theorem 2 continues to hold even when the travel times on the CVs are dependent on the starting time of the CV trip. We state the main result below and provide a brief outline of the arguments in the following. Prior to that, we introduce additional notation to capture time-dependent travel times. For any \( t \in T \), let \( \tau(d, t) = \tau^1(d, t) + \tau^2(d) + \tau^3(d, t) \) be the round trip time for the CV takes reach destination to come back to terminal when the CV departs from terminal to destination \( d \) at time \( t \), with \( \tau^1(d, t) \) the time to reach destination \( d \) from terminal and \( \tau^3(d, t) \) the time to reach terminal from the destination \( d \).

Proposition 1. For all \( d \in D \), let \( J(d) = \{ j^d_1, \ldots, j^d_{n_d} \} \) represent a partitioning of \( J \) by destination and let \( J(d) \) be ordered so that, for \( 1 \leq i \leq n_d - 1 \), \( t^r(j^d_i) \leq t^r(j^d_{i+1}) \). Suppose the travel times on the CVs depend on the time start time of the CV trips are given as \( \tau(d, t) \) for all possible starting times \( t \in T \). There exists an optimal solution for which there are no triples of passengers \( j^d_{i_1}, j^d_{i_2}, j^d_{i_3} \) with \( i_1 < i_2 < i_3 \) for which \( j^d_{i_1} \) and \( j^d_{i_3} \) share a common CV trip without \( j^d_{i_2} \).

The proof of the proposition is provided in Appendix B.

4.2. Exponential Lower Bound on Number of Solutions

By Theorem 2 and Proposition 1, the search for optimal solution can be restricted to groups of passengers that are consecutive when ordered by deadlines. Theorem 1 shows that the problem remains NP-hard even over these solutions. We can relate the number of partitions of the passengers going to a same destination to the Fibonacci series, thereby establishing that their number is exponential.

Theorem 3. Let \( \phi(n) \) be the number of partitions of \( n \) passengers into groupings, each containing passengers with consecutive deadlines and going to a common destination. If the time windows and requested arrivals times are such that every pair of consecutive passengers can travel with one
another on a common CV, then the number of partitions of passengers into groups is bounded below by the \((n+1)st\) Fibonacci number \(F(n)\), and is hence exponential in \(n\) \((\phi(n) \sim O(1.6^n))\).

**Proof** Consider the case when \(v^{\text{cap}} = 2\). For \(n \geq 3\), we can write

\[
\phi(n) = \phi(n-1) + \phi(n-2).
\]

This can be shown by conditioning on whether or not the last passenger travels alone or with the penultimate passenger. In the first case, he travels alone, and the number of partitions of the remaining set of passengers is \(\phi(n-1)\). In the second case, where he travels with another passenger, the number of partitions of the other passengers \(\phi(n-2)\). Since \(\phi(1) = 1\) and \(\phi(2) = 2\), the result follows. For larger \(v^{\text{cap}}\), the recursion is written

\[
\phi(n) = \phi(n-1) + \phi(n-2) + \cdots + \phi(n-v^{\text{cap}}),
\]

which is bounded from below by \(\phi(n-1) + \phi(n-2)\). □

### 5. State-Space Decomposition

In this section we discuss a mechanism for modeling the ILMTP-SD through decision diagram decomposition \cite{Bergman2016,Bergman2018}, which relates to state-space decompositions using dynamic programming \cite{Bertsekas1999,Bertsekas2012}. In particular, we show how one can model every possible single-destination CV trip through a compact decision diagram. We then describe how the diagrams can be concurrently optimized over through a network-flow reformulation with channeling constraints, which provides a novel and computationally advantageous remodeling of the ILMTP-SD. This decision diagram-based approach relies on the structural property of optimal solutions presented in §4.

In particular, Section 5.1 describes how such a collection of decision diagrams can be efficiently constructed, Section 5.2 provides a small illustrative example, and Section 5.3 shows how to jointly use these diagrams to find an optimal solution for the problem.

#### 5.1. Single destination BDD

For each \(d \in D\) we construct a decision diagram (DD) that encodes every possible partition of \(J(d)\) into CV trips through paths in the diagram. Additionally, each path establishes the departure time of each CV and the total contribution to the objective function of the passengers in \(J(d)\) given the partition prescribed by the path.

Formally, we construct, for every \(d \in D\), a decision diagram \(D^d\), which is a layer-acyclic digraph \(D^d = (N^d, A^d)\). \(N^d\) is partitioned into \(n_d + 1\) ordered layers \(L_1^d, L_2^d, \ldots, L_{n_d+1}^d\) where \(n_d = |J(d)|\). Layer \(L_1^d = \{r^d\}\) and layer \(L_{n_d+1}^d = \{t^d\}\) consist of one node each; the root and terminal, respectively. The
layer of node \( u \in L^d_i \) is defined as \( \ell(u) = i \). Each arc \( a \in A^d \) is directed from its arc-root \( \psi(a) \) to its arc-terminal \( \omega(a) \), with \( \ell(\psi(a)) = \ell(\omega(a)) - 1 \). We denote the arc-layer of \( a \) as \( \ell(a) := \ell(\psi(a)) \). It is assumed that every maximal arc-directed path connects \( r^d \) to \( t^d \).

The layers of the diagram correspond to the passengers that request transportation to the destination, where we assume the passengers are ordered in nondecreasing order of \( t^r(j) \) as \( j_1^d, \ldots, j_{n_d}^d \). Each node \( u \) is associated with a state \( s(u) \) that defines the passengers aboard a CV trip, as described below. There are two classes of arcs; one-arcs and zero-arcs, indicated by \( \phi(a) = 1,0 \), respectively. A one-arc stores an arc-cost \( \eta(a) \) and an arc-start-time \( t^0(a) \). The arc-cost of an arc corresponds to the total objective function cost incurred by a set of passengers, and the arc-start-time indicates the time at which a set of passengers depart on a CV. These attributes are irrelevant in zero-arcs.

The decision diagram \( D^d \) for destination \( d \) represents every feasible partition of \( J(d) \) into groups of passengers that can board CVs together. Let \( P^d \) be the set of arc-specified \( r^d \)-to-\( t^d \) paths in \( D^d \). For any path \( p \in P^d \), the groups \( g(p) \) composing the partition defined by \( p \) are as follows. Every one-arc \( a \) in \( p \) corresponds to a group \( g(a) = \{ j_{\ell(a)}^d - s(\psi(a)), j_{\ell(a)}^d - s(\psi(a)) + 1, \ldots, j_{\ell(a)}^d \} \), i.e., the set of contiguously indexed \( s(\psi(a)) + 1 \) passengers ending in index \( \ell(a) \). The partition defined by \( p \) is \( g(p) := \bigcup_{a \in A^d: \phi(a) = 1} g(a) \). The DDs are constructed in such a way that for every arc-specified \( r^d \)-to-\( t^d \) path, each passenger \( j \in J(d) \) is in exactly one \( g \in g(p) \).

The paths also entail the time that each group departs \( T_0 \) and the impact on the objective function of selecting an arc. Time \( t^0(a) \) indicates that the passenger departs to destination \( d \), so that the group occupies the CV assigned to it from time \( t^0(a) \) until \( t^0(a) + \tau(d) \). We note here that the construction of the DD ensures that the arrival time to destination \( d \) for each group is feasible with respect to requested arrival times. In particular, for each passenger \( j \in g(a) \) we have \( t^r(j) - T_w \leq t^0(a) + \tau^1(d) \leq t^r(j) + T_w \).

In order to encode the objective function on the arcs, we set

\[
\eta(a) := \alpha \cdot \sum_{j \in g(a)} \left( t^0(a) + \tau^1(d(j)) - \max_{c \in C, t(c) \leq t^0(a)} \tilde{t}(c,s(j)) \right) + (1 - \alpha).
\]

The first term is scaled by \( \alpha \) and multiplies the total travel time in the objective function, and is the product of two components. In the notation of \( [IP] \), this will correspond to \( \sum_{j \in g(a)} tt_j \) if \( z_{j,t^0(a)} = 1 \) for \( j \in g(a) \). The second term in the objective function, \( 1 - \alpha \), scales the indicator that this represents a CV trip. The cost of a path \( \eta(p) \) is the sum of the arc-costs of the one-arcs in \( p \).

Consider the following two properties; \( \forall d \in D, \forall p \in P^d, \forall j \in J(d) \):

**DD-1:** there is exactly one group \( g \in g(p) \) for which \( j \in g \) (denote by \( a^p(g) \) the one-arc selecting group \( g \)); and
(DD-2): for such a group \( g \in g(p) \) such that \( j \in g, t^*(j) - T_w \leq t^0(a^p(g)) + \tau^1(d) \leq t^*(j) + T_w \).

In the following, we will denote by \( g(j) \in g(p) \) the unique group to which \( j \) belongs in the partition defined by \( p \). If properties (DD-1) and (DD-2) are satisfied, then any collection \( Q \) of \( K(= |D|) \) paths \( \{p^1, \ldots, p^K\} \), where, for \( d \in D, p^d \) is a \( r^d\)-to-\( t^d \) in \( D^d \), partitions all of \( J \) into \( \bigcup_{d \in D} \{g(p)\} \) groups and the objective function of such a partition is \( \sum_{d \in D} \sum_{p \in P^d} c(p) = f(\alpha) \).

Let \( G^d \) be every possible partition of \( J(d) \) into contiguous subsets for which each subset of passengers can board a common CV. By Proposition 2, we can consider only these partitions in seeking optimal solutions. Consider the following property as well:

(DD-3): \( \forall g \in G^d \), there exists a path \( p \in P^d \) for which \( g(p) = g \), and for every collection of times that the passengers in the groups specified by \( g(p) \) can depart together.

If property (DD-3) is satisfied in \( D^d \), then the paths in \( P \) list all possible partitions and departure times from \( T_0 \), and therefore defines the feasible region.

Finally, consider the following property, defined over any such collection of paths \( Q = \{p^1, \ldots, p^K\} \):

(DD-4): \( \forall t \in T, \left| \bigcup_{d \in D} \{a \in P^d : t^0(a) \leq t \leq t^0(a + \tau(d)) \} \right| \leq m \).

If \( Q \) satisfies (DD-4), then assigning unique CV trips to each group \( g \in \bigcup_{d \in D} \{g(d)\} \), leaving \( T_0 \) at time \( t^0(g) \) dictates a feasible solution to the ILMTP-SD that has objective function value \( \sum_{d \in D} \sum_{p \in P^d} c(p) \). Therefore, building a set of DDs satisfying properties (DD-1), (DD-2) and (DD-3), and finding a collection of paths satisfying condition (DD-4) which is of minimum total length is another model for solving the ILMTP-SD.

Algorithm 1 constructs a decision diagram that satisfies properties (DD-1) to (DD-3) for each destination. The algorithm proceeds as follows. Algorithm 1 starts by computing (Line 1) for each passenger \( j^d_i \), the earliest \( t^*(j^d_i) \) and latest \( t^d_i(j^d_i) \) possible departure time from \( T_0 \) if she were to ride alone using 1. Line 2 creates the root node \( r^d \), which is also referred as \( u_0^d \) for ease of notation. Each iteration of the loop in line 3 creates the arcs from layer \( i \) to layer \( (i+1) \) and the corresponding nodes for each possible state. For ease of notation, we also denote a node \( u \) in layer \( \ell(u) = i \) and state \( s(u) = k \) by \( u^i_k \). Note that for \( i = n_d \) the node \( u_{n_d+1}^0 \) represents the terminal node \( t^d \) of the decision diagram \( D^d \). Line 4 creates, in the \((i+1)\)-th layer. Arcs drawn from the nodes \( u^i_k \) in layer \( i \) to the node \( u_{i+1}^0 \) are one-arcs and represent the grouping of passengers \( \{j^d_{i-k}, \ldots, j^d_k\} \).

The creation of the one-arcs and the assignment of CV start times, costs are executed in the loop defined by Line 11 of the algorithm. The loop in line 5 iterates over the nodes in layer \( i \) and adds zero-arcs between the layers \( i \) and \((i+1)\). In particular, the loop creates nodes \( u^i_{i+1} \) in layer \( i+1 \) for a positive state \( k \), which entails grouping passengers \( j^d_{i+1-k}, \ldots, j^d_{i+1} \) together through a zero-arc, if the conditions in line 6 hold: (i) the number of passengers does not exceed \( v^{\text{cap}} \); (ii) there exists such a passenger \( j^d_{i+1} \); and (iii) the time windows of passengers \( j^d_{i+1-k} \) and \( j^d_{i+1} \) overlap. Since the
passengers are ordered by increasing deadlines, satisfaction of (iii) implies that the passengers in \( \{ j_{i+1-k}^d, \ldots, j_{i+1}^d \} \) have at least one CV starting time at \( T_0 \) such that they arrive at destination within their time windows. Note that the cost of arcs is set to zero since this is a zero-arc. Finally, the loop in line 11 creates multiple one-arcs for each node, which entails that passenger \( j_i^d \) is the last in a group, by iterating over all possible departure times shared by passengers \( j_{i-k}^d \) to \( j_i^d \) and computing the corresponding cost of such a grouping according to the departure time.

**Algorithm 1** Construction of decision diagram \( D^d \) for passengers \( j_1^d, \ldots, j_{n_d}^d \) with destination \( d \)

1. Compute for each passenger \( j_i^d \) the earliest and latest times of departure from the \( T_0 \):
   \[
   t^r(j_i^d) \leftarrow \max \left\{ t^r(j_i^d) - \tau^l(d), \min_{c \in C} \{ \tilde{t}(c) \} \right\}
   \]
   \[
   t^l(j_i^d) \leftarrow \min \left\{ t^l(j_i^d) + \tau^l(d) - 1, \max_{c \in C} \{ \tilde{t}(c) \} \right\}
   \]

2. Add new node \( u_i^0 \) to \( L_i^d \) such that \( s(u_i^0) = 0 \) and \( \ell(u_i^0) = 1 \) \( \triangleright \) Same as root node \( r^d \)

3. for \( i \leftarrow 1, \ldots, n_d \) do
   \( \triangleright \) Determines transitions after passenger \( j_i^d \)
   4. Add new node \( u_{i+1}^0 \) to \( L_{i+1}^d \) such that \( s(u_{i+1}^0) = 0 \) and \( \ell(u_{i+1}^0) = 1 \)
   5. for \( k \leftarrow 0, \ldots, |L_i^d| - 1 \) do
      \( \triangleright \) Number of unassigned passengers up to \( j_i^d \)
      6. if \( k < v_{\text{cap}} - 1 \) and \( i < n_d \) and \( t^e(j_{i+1}^d) \leq t^l(j_{i-k}^d) \) then
         \( \triangleright \) Checks if \( j_{i+1}^d \) can join them
         7. Add new node \( u_{i+1}^{k+1} \) to \( L_{i+1}^d \) such that \( s(u_{i+1}^{k+1}) = k + 1 \) and \( \ell(u_{i+1}^{k+1}) = i + 1 \)
         8. Add new arc \( a \) to \( A^d \) such that \( \psi(a) = u_i^k, \omega(a) = u_{i+1}^{k+1}, \) and \( \phi(a) = 0 \)
         9. \( \eta(a) \leftarrow 0 \) \( \triangleright \) Group cost deferred
      end if
   10. for \( t \leftarrow t^e(j_i^d), t^e(j_i^d) + 1, \ldots, t^e(j_{i-k}^d) \) do
       \( \triangleright \) Departure times for group \( \{ j_{i-k}^d, \ldots, j_i^d \} \)
       11. Add new arc \( a \) to \( A^d \) such that \( \psi(a) = u_i^t, \omega(a) = u_{i+1}^0, \) \( \phi(a) = 1, \) and \( t^l(a) = t \)
       12. \( \eta(a) \leftarrow \alpha \sum_{j \in g(a)} \left( t + \tau^l(d) - \max_{c \in C, \tilde{t}(c) \leq s^0(a)} \{ \tilde{t}(c, s(j)) \} \right) + (1 - \alpha) \) \( \triangleright \) Group cost incurred
   end for
15. end for
16. end for

Theorem 4 below shows that Algorithm 1 constructs decision diagrams that are polynomial in the size of the input satisfying properties (DD-1) to (DD-3). Section 5.3 discusses how to identify the optimal collection of paths satisfying property (DD-4).

**Theorem 4.** For every \( d \in D \), Algorithm 1 constructs decision diagram \( D^d \) with \( O(n_d \cdot v_{\text{cap}}) \) nodes and \( O(n_d \cdot v_{\text{cap}} \cdot T_w) \) arcs satisfying properties (DD-1), (DD-2), and (DD-3) that can be constructed in time \( O(n \cdot v_{\text{cap}} \cdot T_w) \).
5.2. Example

Example 1. Consider the following ILMTP instance. All passengers request transportation to a single destination $d$. Let $\tau(d) = 4$, $(\tau^1(d) = 2, \tau^2(d) = 0, \tau^3(d) = 2)$, $T_w = 1$, $m = 2$, and $v_{\text{cap}} = 3$. There are 5 passengers, requesting arrival time to $d$ at 5, 6, 7, 9 for passengers $j^1_d, j^2_d, j^3_d$, respectively. Mass transit trips arrive to $T_0$ at time 2 and 6 ($c = 1$ and $c = 2$). For simplicity, we assume that all passengers originate from the same $s$ and $\tilde{t}(c, s) = 0.4$ for $c = 1, 2$ respectively.

Figure 3 depicts a DD that satisfies properties (DD-1), (DD-2), and (DD-3). The layers are drawn in ascending order from top to bottom. One-arcs are depicted as solid lines, and zero-arcs as dashed lines, interpreted to be pointing downwards. Each one-arc $a$ has two labels depicted in parentheses, the first label is the arc-start-time $t^0(a)$ and the second label is the total travel time of passengers in $g(a)$. Each arc-cost (for the one-arcs) is the second argument times $\alpha$ plus $(1 - \alpha)$.

Consider the red-colored path $p'$, which traverses arcs connecting $r^b$ to $t^b$ through the node-specified path $r^b - 0 - 0 - 0 - t^b$ along arcs labeled $(2, 4) - (3, 5) - (3, 5) - (6, 4) - (6, 4)$. Each arc emanates from a node with label 0, which indicates that the passengers travel alone in a CV. The arcs on this path dictates that the passengers leave $T_0$ at times $t = 2, 3, 5, 6, 6$ and have total travel times of 4, 5, 5, 4, 4 time units, respectively. To achieve these travel times, passengers $j^d_1, j^d_2, j^d_3$ arrive to $T_0$ on the mass transit trip $c = 1$, and passengers $j^d_4, j^d_5$ arrive on trip $c = 2$. This path satisfies properties (DD-1) and (DD-2), as do all paths in the diagram. However, this path does violate property (DD-4)—consider for example $t = 4$. The first three passengers are each assigned CVs that will be en-route at $t = 4$ which violates the restriction that $m = 2$.

Consider now the green-colored path $p''$, which traverse arcs connecting $r^d$ to $t^d$ through the node-specified path $r^d - 1 - 0 - 1 - 0 - t^d$ with one-arcs labeled $(3, 10) - (5, 14) - (7, 5)$ on layers 2, 4, and 5, respectively. This path has three one-arcs that specify groups $\{j^d_1, j^d_2\}, \{j^d_3, j^d_4\}, \{j^d_5\}$ to leave $T_0$ at times $t = 3, 5, 7$, respectively. The total travel times on each CV trip are 10 $(5+5)$, 14 $(7+7)$, 5 $(5)$ achieved by passengers $j^d_1, j^d_2, j^d_3, j^d_4$ arriving on mass transit trip $c = 1$, and passenger $j^d_5$ arriving on trip $c = 2$. For $t = 0, 1, \ldots, 10$, the number of active CVs is 0,0,0,1,1,2,2,2,2,1,0, respectively, upon which all CVs have returned to $T_0$, thereby never violating the constraints on the number of CVs. This path therefore satisfies property (DD-4) and corresponds to a feasible solution. The evaluation of the objective function corresponding to this solution depends on $\alpha$, and is evaluated as $\eta(p'') = \alpha \cdot (10 + 14 + 5) + (1 - \alpha) \cdot 3$.

There are 492 paths in the depicted DD, corresponding to $|G^d|$. This example suggests the advantages of a decision diagram-based approach, in that an exponentially sized set of solutions can be represented, compactly, in a small-sized diagram.
An additional note is in order. Consider the set of arcs directed between the nodes labeled 0 in the penultimate layers of the DD. Each arc represents group \( \{j_d^4\} \), the singleton passenger traveling alone. There are three ways this can happen—the passenger arrives to \( T_0 \) on the mass transit trip \( c = 1 \), waits for 3 time units, and then boards a CV, or the passenger arrives to \( T_0 \) on trip \( c = 2 \), waits 0 or 1 time units, and then boards a CV. Should this group be selected as part of the solution, the selection of arc (and, therefore, mass transit trip and waiting time) will depend on the availability of CVs that can be restricted based on CV trips to destination \( d \) and to other destinations in the system.

### 5.3. Network-flow reformulation

Given, for each \( d \in D \), a decision diagram \( D^d \) satisfying properties (DD-1), (DD-2), and (DD-3), one can reformulate the ILMTP-SD optimization problem as a consistent path problem. In each DD, we must select a path so that at any time \( t \) with no more than \( m \) CVs assigned to any groups.
More formally, we want to select, for every \( d \in \mathcal{D} \), a path \( p^d \in D^d \) such that, for every \( t \), the number of one-arcs with \( t^0(a) \leq t \leq t^0(a) + \tau(d) \) is less than or equal to \( m \). Let \( \chi(a, t) \in \{0, 1\} \) indicate that a CV would be active at time \( t \) (i.e. \( t^0(a) \leq t \leq t^0(a) + \tau(d) \)) if arc \( a \) is chosen. One can formulate this by assigning a variable \( y_a \) to each arc \( a \) and solving the following optimization problem:

\[
\begin{align*}
\min \quad & \sum_{d \in \mathcal{D}} \sum_{a \in A^d} \eta(a)y_a \\
\text{s.t.} \quad & \sum_{a: \psi(a) = r^d} y_a = 1, \quad \forall d \in \mathcal{D} \\
& \sum_{a: \omega(a) = s^d} y_a = 1, \quad \forall d \in \mathcal{D} \\
& \sum_{a: \psi(a) = r^d} y_a - \sum_{a: \omega(a) = s^d} y_a = 0, \quad \forall d \in \mathcal{D}, \forall u \in L^d_1 \cup \ldots \cup L^d_{n_d} \\
& \sum_{d \in \mathcal{D}} \sum_{a \in A^d \chi(a, t) = 1} y_a \leq m, \quad \forall t \in \mathcal{T} \\
& y_a \in \{0, 1\}, \quad \forall d \in \mathcal{D}, \forall a \in A^d
\end{align*}
\]

Model (NF) directly models each DD as a network-flow problem, where we seek to send one unit of flow from \( r^d \) to \( t^d \). The sum of the arc weights are minimized, subject to the singular linking constraint, that enforces the restriction on the number of CVs. Model (NF) therefore identifies a collection of paths \( \mathcal{Q} \) satisfying property (DD-4) of minimum total cost, therefore providing a valid formulation for the ILMTP-SD.

### 5.4. Extension for time-dependent travel times

Proposition 1 proves that the ordering property of passengers continues to hold when the travel time on the CVs is time-dependent. This is readily incorporated in the decision diagram framework by the following redefinition of: (i) the indicator function \( \chi(a, t) \) as \( \chi(a, t) = 1 \) if \( t^0(a) \leq t \leq t^0(a) + \tau(d) \) for all \( a \in A^d \); and (ii) the objective function value the one-arcs \( \{1\} \) where \( \tau^1(d(j)) \) is replaced with \( \tau^1(d(j), t^0(a)) \). In the construction of the decision diagram, the addition of one-arcs modified as follows. Let \( \mathcal{T}(j) \) represent the set of start times on the CV that allow the passenger \( j \) to reach the destination within the specified time windows, i.e.

\[
\mathcal{T}(j) = \left\{ t \in \mathcal{T} \mid t^r(j) - T_w \leq t + \tau^1(d(j), t)T^r(j) + T_w \left\{ \min_{c \in C} \{ l(c) \} \leq t + \tau^1(d(j), t) \leq \max_{c \in C} \{ l(c) \} \right\} \right\}
\]

One-arcs are added as follows. For \( i = 1, \ldots, n_d \) and \( s = 0, \ldots, v^{\text{cap}} - 1 \), consider the node \( u \) on layer \( L^d_i \) with state \( s \). For \( t \in \mathcal{T}(j^d_i) \cap \mathcal{T}(j^d_{i+1}) \cap \ldots \cap \mathcal{T}(j^d_{i+s}) \), add one-arc \( a \) from \( u \) to the node on layer \( L^d_{i+1} \) with state 0. Set \( t^0(a) = t \) and arc-cost \( \eta(a) = \sum_{j \in g(a)} \left( t^0(a) + \tau^1(d, t) - \max_{c \in C : l(c) \leq t^0(a)} \{ l(c, s(j)) \} \right) \).

One can now delete any arcs / nodes that do not belong to any \( r^d \)-to-\( t^d \) path. This completes the construction of the DD.
6. A Branch-and-Price Algorithm

An alternative model for the ILMTP-SD given a collection of DDs satisfying properties (DD-1), (DD-2), and (DD-3) is to use a branch-and-price scheme [Barnhart et al. 1998] by associating a binary variable $z_p$ to every $r^d$-to-$t^d$ path in the collection of DDs, where we let $k(p,t)$ be the number of one-arcs in $p$ for which $\chi(a,t) = 1$ (which we refer to as the master problem):

$$\min \sum_{d \in D} \sum_{p \in P^d} \eta(p)z_p$$
$$\text{s.t.} \quad \sum_{p \in P^d} z_p = 1, \quad \forall d \in D$$
$$\sum_{d \in D} \sum_{p \in P^d} k(p,t)z_p \leq m, \quad \forall t \in T$$
$$z_p \in \{0,1\}, \quad \forall d \in D, \forall p \in P^d. \quad (MP)$$

Since there is an exponential number of variables corresponding to those paths, we propose to solve this model by branch-and-price. In particular, we solve the LP relaxation of $\text{MP}$ by column generation, and then proceed by standard branch-and-bound.

The procedure begins by defining an initial search-tree node with no branching decisions, and, for all $d \in D$, a subset of the paths $\bar{P}^d \subseteq P^d$. Let $P = \bigcup_{d \in D} P^d$ and $\bar{P} = \bigcup_{d \in D} \bar{P}^d$. The restricted master problem $(RMP(\bar{P}))$ is defined only on those variables in $\bar{P}$. $\bar{P}$ should contain at least one feasible solution, which we address in Section 6.1.

We solve the LP relaxation of $\text{MP}$ by column generation, where we add paths $p \in P \setminus \bar{P}$ to $\bar{P}$ if the associated variable in $\text{MP}$ has a reduced cost that is negative at the solution corresponding to the optimal LP relaxation of $(RMP(\bar{P}))$. Since we don’t assume an enumeration of $P$, we identify if such a path exists, by solving a pricing problem $\text{PP}$, as described in the following proposition.

**Proposition 2.** In $(RMP(\bar{P}))$, for all $d \in D$, let $\mu_d$ be the dual variable associating constraint $\sum_{p \in \bar{P}^d} z_p = 1$ and, for all $t \in T$, let $\lambda_t$ be the dual variable associated with constraint $\sum_{d \in D} \sum_{p \in P^d} k(p,t)z_p \leq m$ at an optimal solution to the LP relaxation of $(RMP(\bar{P}))$. For all $d \in D, a \in A^d$, and $t \in T$, let $\chi(a,t)$ indicate if arc $a$ is a one-arc and $t \in \{t_0(a), \ldots, t_0(a) + \tau(d)\}$, i.e., that taking the one-arc requires an active CV at time $t$. 
Let us define, for all \( a \in \cup_{d \in D} A^d \), a binary variable \( y_a \) and, for all \( d \in D \), a binary variable \( \zeta_d \). If the optimal value to

\[
\min \sum_{d \in D} \sum_{a \in A^d} \eta(a) y_a - \sum_{d \in D} \mu_d \zeta_d + \sum_{d \in D} \sum_{a \in A^d} \sum_{t \in T} \lambda_t \chi(a,t) y_a
\]

s.t.

\[
\sum_{a : \psi(a) = r^d} y_a = \zeta_d, \quad \forall d \in D
\]

\[
\sum_{a : \omega(a) = t^d} y_a = \zeta_d, \quad \forall d \in D
\]

\[
\sum_{a : \psi(a) = u} y_a - \sum_{a : \omega(a) = u} y_a = 0, \quad \forall d \in D, \forall u \in N^d \text{ with } u \notin \{ r^d, t^d \}
\]

\( y_a \in \{0,1\} \quad \forall d \in D, \forall a \in A^d \) (PP)

is non-negative, then the optimal LP solution of \( \text{(RMP}(\bar{P})\)) is an optimal LP solution of \( \text{(MP)} \). Otherwise the set of arcs for which \( y_a = 1 \) defines a path in the DD \( D^d \) for which \( \zeta_d = 1 \) with negative reduced cost.

Proof. Follows immediately from the definition of reduced cost. □

(PP) decomposes into separate shortest path problems. For each \( d \in D \), let \( p^{d,*} \) be the shortest path and \( f^{d,*} \) be the shortest path length in \( D^d \), where each arc has length \( \eta(a) - \sum_{t \in T} \lambda_t \chi(a,t) \). The variable \( z_{p^{d,*}} \) associated with the path that achieves the minimum value \( f^{d,*} - \mu_d \) in the pricing problem will be the variable in the exponential model that has the lowest reduced cost. Since this can be done separately for each destination, and since each DD is directed and acyclic, the pricing problem is solved in linear time in the size of the DDs.

Note that the IP solution to \( \text{(RMP}(\bar{P})\)) will always be a feasible solution to the ILMTP-SD instance. This equips us with a mechanism for generating feasible solution and upper bounds.

A branch-and-bound search can be conducted to complete a branch-and-price algorithm. A queue of search-tree nodes \( \Gamma \) is defined, initialized as a singleton \( \gamma' \). At any point in the execution of the algorithm, each search node \( \gamma \in \Gamma \) is defined by a set of branch decisions \( \text{out}(\gamma), \text{in}(\gamma) \in \bar{P} \). We also maintain the best-known solution \( z^* \) and its objective function value \( f^* \).

While \( \Gamma \neq \emptyset \), a search node \( \gamma \) is selected to explore (\( \gamma' \) first, and then chosen, in our experiments, as the search node with the worst LP relaxation of the search node from which it was created). The LP relaxation of \( \text{(RMP}(\bar{P})\)) with additional equality constraints requiring \( z_p = 0,1 \) for those paths \( p \in \text{out}(\gamma), \text{in}(\gamma) \), respectively, is solved via column generation. If the optimal value of the LP relaxation of \( \text{(RMP}(\bar{P})\)) is greater than or equal to \( f^* \), the node is pruned, and search continues by selecting another node in \( \Gamma \). Otherwise, the IP \( \text{(RMP}(\bar{P})\)) is solved and if the optimal value \( f' \) is less than \( f^* \), this solution replaces \( z^* \) and \( f^* \) is updated with \( f' \). We also describe another approach to identifying a feasible solution in Section 6.2 since the solution of the IP \( \text{(RMP}(\bar{P})\)) can
be computationally prohibitive. A path-variable $z_{p'}$ is selected to branch on (in our experiments we choose the variable that is most fractional, as is common practice). Two nodes $\gamma^0, \gamma^1$ are created with $\text{out}(\gamma^0) = \text{out}(\gamma) \cup \{p'\}$, $\text{in}(\gamma^0) = \text{in}(\gamma)$ and $\text{out}(\gamma^1) = \text{out}(\gamma), \text{in}(\gamma^1) = \text{in}(\gamma) \cup \{p'\}$, and $\Gamma \leftarrow \Gamma \setminus \{\gamma\} \cup \{\gamma^0, \gamma^1\}$.

6.1. Finding an initial feasible solution

We can generate an initial feasible solution to [MP] by appending an extra path to each DD that represents not assigning any passenger. Specifically, for each $d \in D$, create nodes $u^d_2, \ldots, u^d_n$ with state $s(u^d_i) = \emptyset, \forall i = 2, \ldots, n$. Add one-arcs from $r^d$ to $u^d_2$, from $u^d_n$ to $t^d$, and, for $i = 2, \ldots, n - 1$, from $u^d_i$ to $u^d_{i-1}$. For each new arc $a$ set $\eta(a) = -\infty$ and $\theta^0(a) = 0$. For the new path $p_d^0$ in each DD set $z_{p_d^0} = 1$ and all other variables equal to 0. Since for all $t \in T$, $k(p_d^0, t) = 0$, and since this path has infinite negative cost, this will be an initial feasible solution to [MP].

6.2. Identifying a feasible solution

Suppose that the $z^*$ is a solution to the LP relaxation of (RMP($\bar{P}$)) and that $z^*$ is not all integral. Denote by $p^d \in \bar{P}$ for all $d \in D$ as the path satisfying $p^d = \arg \max_{p \in \bar{P}} z^*_p$. In other words, $p^d$ is path for destination $d$ with the largest fractional value in the solution of the LP relaxation.

As defined in Section 5.1, let $g(p^d)$ represent the partition of $J(d)$ defined by $p^d$. The path $p^d$ encodes the particular start times on the CV for the groups in $g(\bar{P})$. In the following, we describe a IP that fixes the groups in $g(p^d)$ but attempts to assign starting times for the groups such that the resulting CV trips are feasible for the ILMTP-SD. Note that by assigning different start times we are implicitly enumerating other paths in the decision diagrams $D$ with the same groupings. The IP formulation is a simplified version of the one presented in Raghunathan et al. (2018), where route assignments were also considered in the IP.

Prior to describing the model we introduce some relevant notation. Define earliest and latest CV start times for the group $g \in g(p^d)$, for all $d \in D$, as $t^e(g) = \max_{j \in g} t^e(j)$ and $t^l(g) = \min_{j \in g} t^l(j)$ where $t^e(j), t^l(j)$ are as defined in [1]. Define the objective value associated with the particular start time $t \in [t^e(g), t^l(g)]$ as

$$\eta(g, t) = \alpha \sum_{j \in g} \left( t + t^l(d) - \max_{c \in C: \{\bar{I}(c)\} \le t} \{\bar{I}(c, s(j))\} \right) + (1 - \alpha).$$

Further, let $\chi(g, t, t') \in \{0, 1\}$ indicate the times $t'$ (i.e. $t \le t' \le t + \tau(d)$) at which a CV serving group $g$ leaving terminal at time $t$ would be active. The decision variable in the IP formulation is $x_{g,t} \in \{0, 1\}$ for $t \in [t^e(g), t^l(g)]$ indicating the choice of start time of $t$ on the CV for group $g$. The IP formulation is:

$$\min \sum_{g \in \cup_{d \in D} g(d)} \eta(g, t)x_{g,t} \tag{2a}$$
Constraint (2b) imposes that each group is assigned to exactly one CV route and start time. Constraint (2c) ensures that the number simultaneous trips on the CVs does not exceed the number of CVs. A feasible solution to (2) is easily seen to be a feasible solution ILMTP-SD. The above IP typically solves at the root node in fractions of a second.

7. Numerical Evaluation

This section provides a thorough experimental evaluation of the formulations and algorithms developed in this paper in Section 7.2. We also analyze the trade-offs on different objectives and the effect of the time window length on the quality of the solutions obtained in Sections 7.3 and 7.4, respectively. Finally, in Section 7.5, we study the quality of the solution to the ILMTP-SD for more general variants of the problem, such as having express mass transit service and multiple last-mile destinations in a same CV trip.

All experiments were run on a machine with an Intel(R) Core(TM) i7-4770 CPU @ 3.40GHz and 16 GB RAM. All algorithms were implemented in Python 2.7.6 and the ILPs are solved using Gurobi 7.5.1.

7.1. Instance generation

A wide range of instances are generated to test the effectiveness of the algorithms and to understand the trade-offs resulting for the two conflicting objective function terms. We generate instances with number of destinations $K \in \{10, 25, 50\}$. In order to test how well the algorithms scale, we specify the number of passengers per destination as $\frac{n}{K} \in \{100, 150, 200\}$, and use the corresponding value for $n$ (i.e., if $K = 10$ and $\frac{n}{K} = 100$, we use $n = 1000$) so that our instances have up to 10,000 passengers. We set the number of CVs $m = \text{round}(0.06 * n)$ where $\text{round}(\cdot)$ rounds to the nearest integer and CV capacity $v^{\text{cap}} = 5$. We generate 5 instances per configuration. The number of stations where passengers board the mass transportation system is 4 and so $S = \{T_0, 1, 2, 3, 4\}$. The station of origin for each passenger is generated independently and uniformly at random from $\{1, 2, 3, 4\}$ and the requested arrival time $t^r(\cdot)$ is generated independently and uniformly at random from $\{1, 2, 3, 4\}$ and the requested arrival time $t^r(\cdot)$ is generated independently and uniformly at random from $\{90, 91, \ldots, 210\}$. The trips $C$ consist of trains that depart the farthest station 4 at times $\tilde{t}(c, 4) \in \{0, 30, 60, \ldots, 210\}$. The travel time between stations is 10 and so $\tilde{t}(c, s) = \tilde{t}(c, 4) + (4 - s) * 10$ for $s = 1, 2, 3$ and $\tilde{t}(c) = \tilde{t}(c, 4) + 40$ for all $c \in C$. The travel time from $T_0$ to destinations $d$ is chosen independently and uniformly at random between $\{10, 11, \ldots, 20\}$, so if travel time to
7.2. Algorithm comparison

We test the efficiency of our three algorithms. IP refers to solving \((IP)\). NF refers to solving \((NF)\). BP refers to solving \((MP)\) through the branch-and-price algorithm explained in Section 6. The three algorithms are applied to each generated instance and for each setting of \(T_w\) and \(\alpha\), resulting in 450 runs each. Since the transportation systems will in practice be repeatedly optimized, the ILMTP-SD requires efficient solution methodologies. Accordingly, we set a time limit of 10 minutes.

IP does not solve any of the instances tested within 10 minutes of computational time, as opposed to the other algorithms, which solve all instances in that amount of time. To further elucidate the power of the DD-based model, IP is only able to find one feasible solution over the 450 instances and configurations tested. This provides clear indication of the applicability and power of the DD-based algorithm, and so for the remainder of this section we provide a comparison only of NF and BP. We note that the root-node optimality gap (calculated as \((UB - LB)/LB \times 100\) where LB is the lower bound and UB is the upper bound) for the DD-based model is below 0.5%, demonstrating the quality of the LP relaxation. We therefore only report results for solving the root node.

The left plot in Figure 4 depicts a cumulative distribution plot of performance over all runs for NF and BP. Each line corresponds to an algorithm, and each point on a line is composed of coordinates \((t, s)\) which is the number of instances solved \(s\) by time \(t\) by the algorithm. The figure clearly demonstrates that BP solves more problems than NF for any given computational budget.

A more detailed pairwise comparison of BP with NF appears in the right plot of Figure 4 (here we only include instances with \(T_w = 5\)). The coordinates are the runtime of NF and the runtime of BP. The size of the dot correspond to \(n\) (increase in size as \(n\) increases) and the color of the dot corresponds to the ratio of the number of passengers to the number of destinations (i.e., the average number of passengers per destination). This plot more readily reveals the advantage of BP—in only a few, small, instances is the runtime of NF lower than that of BP.

7.3. Objective trade-off analysis

As discussed throughout the paper, it is critical to understand how the two objectives considered (total passenger wait time and number of CV trips) affect optimal solutions, so that proper operation of an ILMT system can be determined. As BP is shown to be the best algorithm among those tested, we use solutions obtained by BP for the remainder of this section. Note that we scaled the number of trips by 100 to ensure that the values of the two objectives are of the same order of magnitude.
(left) Cumulative distribution plot of performance, comparing BP and NF. (right) Scatter plot comparing BP with NF.

Figure 5 Line plot depicting total passenger travel time and number of CVs for different settings of $\alpha$.

Figure 5 depicts the data through a line plot. Each point corresponds to the total passenger travel time and the number of CVs trips in the solutions obtained by BP, for those instances with $T_w = 5$, $n = 5000$ and $K = 50$. The color corresponds to the objective weight.

This plot highlights the power of considering a balanced objective. First, when $\alpha \in \{0, 1\}$, we see that considering only one objective can result in great solution for that metric alone, but can be very bad for the other, ignored objective. Changing $\alpha$ only slightly away from the boundary (i.e., to $\alpha \in \{0.1, 0.9\}$) sacrifices only a little on the main objective.

The plot reveals that setting $\alpha = 0.1$ leads, in general, to the most balanced solutions and so operators of systems should consider weighting the objectives in this region. In particular, over all instances tested, there is no difference in the number of CV trips in the optimal solutions obtained when changing $\alpha = 0.0$ to $\alpha = 0.1$. The same change of $\alpha$ results in a reduction of total travel time from 236,693 second to 199,341, on average over all instances, a decrease of 15%. We also see a significant drop in number of CV trips as we change alpha from 1.0 to 0.9. On average, the number of CV trips decreases from 928 to 862 (a 7.1% decrease), while only resulting in an increase of average total travel time from 197,273 to 199,341 (a 1.0% increase). This will therefore lead to a
significant decrease in operations costs and environmental impact with only slightly longer total passenger travel time, and so should be employed in operational decision making.

7.4. Effect of time-window variation on solutions
This subsection provides an analysis of how varying the time window affects the solutions obtained. In particular, we consider the solution time and quality of solutions obtained over all instances tested, for $T_w = 5$ and $T_w = 10$.

The scatter plot in Figure 6 provides an indication of the difference of the quality of the solutions and the solution times required for BP. The coordinates of every dot corresponds to the number of CV trips and the total passenger travel time in the solutions obtained. The size of the circle corresponds to the average solution time over all instances tested. The instances are broken up by time window, colored blue for $T_w = 5$ and orange for $T_w = 10$.

This plot show that the quality of the solutions obtained are only marginally different when we widen the time windows. Averaged overall instances, the number of CV trips is 888 and 877 and the total travel time is 213,239 and 198,406, for $T_w = 5$ and $T_w = 10$, respectively. This represents a decrease in number of CV trips of 1.21% and a decrease in total travel time of 6.96%. The increase in solution time is much more substantial, increasing from 68.24 to 153.32 seconds, on average, a 123.21% increase. This indicates that allowing more flexibility in arrival time constraints makes the problem significantly harder, but results in slightly better operational decisions. This therefore indicates that an operator might try to solve the problem with relatively large time windows, but then decrease this flexibility should solutions need to be obtained in less computational time.

7.5. Problem generalizations
There are various assumptions we place on the transportation system in order to ensure the optimality of the solutions obtained by NF. In particular, we require the structural results from § [§]
Although the proof of optimality remains valid when we extend to time-dependent travel times, there are other dimensions of the problem that we can expand which results in NF returning only heuristic solutions. As discussed in Raghunathan et al. (2018), the solutions obtained can still be close to optimal even in more general settings. This subsection provides an analysis of two main problem generalization, and uncovers that the solutions we identify through NF are often superior to what can be found by other techniques, even in the more general settings where the solutions may not be optimal.

7.5.1. Express trains The structural result from §4 which proves that there exists an optimal solution where passengers going to a common destination are partitioned in the order of their arrival times fails to remain true when there are more complex train systems that are integrated with last-mile transportation. For example, if trains do not arrive sequentially at regular intervals, stopping at each and every station, this result no longer holds. This is a common characteristic of real-world train systems, where express trains increase the frequency that high-traffic train stops have train service.

In order to test how well BP performs as a heuristic in this setting, we generate instances with express trains as follows. We generated instances with $K \in \{10, 25\}$ and specify the number of passengers per destination $\frac{n}{K} \in \{50, 75\}$. We set $m = \text{round}(0.1 \times n)$ which is larger number of CVs as a fraction of passengers than the used in the previous tests. This was done primarily to provide the MIP formulation the benefit of solving more of the instances. We generate 5 instances per configuration. The set of passengers are generated independently at random as described in the beginning of the section.

The trips for the trains consist of express trips that stop only at stations 4 and 2 before reaching the $T_0$. These trips occur every 30 time units and can be specified using the notation of the paper as: $\tilde{t}(c, 4) \in \{0, 30, \ldots, 180\}$, $\tilde{t}(c, 2) = \tilde{t}(c, 4) + 10$, $\tilde{t}(c) = \tilde{t}(c, 4) + 20$ and $\tilde{t}(c, s) = -\infty$ for $s = 1, 3$. The motivation behind setting the $\tilde{t}(c) = -\infty$ for stations that are not served is that increases total travel time of passengers assigned to such trains and makes them a suboptimal choice. Another set of express trips stop only at stations 3 and 1 before reaching the $T_0$. These trips also occur every 30 time units and can be specified as: $\tilde{t}(c, 4) \in \{20, 50, \ldots, 200\}$, $\tilde{t}(c, 1) = \tilde{t}(c, 3) + 10$, $\tilde{t}(c) = \tilde{t}(c, 4) + 15$ and $\tilde{t}(c, s) = -\infty$ for $s = 2, 4$.

Figure 7 is a scatter plot, with coordinates corresponding to solution times for MIP and BP. The relative size of each dot corresponds to the number of passengers. The shape indicates the average number of passengers per destination (circles indicate 50, squares indicate 75). Finally, the color represent the percent difference in the best upper bound found by each technique (percent increase over best upper bound identified by MIP).
Figure 7  Scatter plot depicted solutions times for MIP and BP for instances with express trains.

We depict results only for $\alpha = 0, 1$. All instances with $\alpha = 0$ are solved by both techniques, and all instances with $\alpha = 1$ are solved by BP but remain unsolved by MIP after 10 minutes. The blue points show a relative superiority of the solution obtained by MIP. The solutions identified by MIP are only 1% smaller than those obtained by BP when $\alpha = 0$, showing that BP can obtain solutions very close to optimal. The solutions time for BP are also often an order-of-magnitude faster than the solution times for MIP, and so if an operator needs high-quality solutions quickly, the solution obtained by BP could suffice.

Additionally, for $\alpha = 1$, no instances were solved by MIP within 10 minutes. Alternatively, BP is able to find solutions in fewer than 1 second. Furthermore, as indicated by the orange color of the points in Figure 7, the solutions identified by BP are superior to the best known solutions found by MIP after ten minutes. These results provide an indication that although BP sacrifices slightly on optimality, the quality of the solutions obtained in reasonable time limits are often superior to those obtained by exact techniques.

7.5.2. Multiple destinations per CV trip Another restrictive assumption inherent in the BDD-based approach is that the CVs visit one-and-only-one destination per trip. Raghunathan et al. (2018) provided an analysis of how far from optimal the solutions obtained by single-destination-per-CV trip solutions are from those obtained by MIP allowing passengers going to
non-common destinations for small-scale problems. We extend that analysis here and find even more encouraging results.

We provide this comparison on the following instances. For this case, we used the same problem setting as in our conference paper [Raghunathan et al. (2018)]. For sake of brevity, we refer the interested reader to the section on Experiments in [Raghunathan et al. (2018)] for a description on the routes for the commuter vehicles. In this case, the number of destinations is 10. The number of passengers is chosen as $n \in \{500, 750\}$. The train trips are retained as described in the beginning of the section. Again, we report results for $\alpha = 0, 1$.

For $\alpha = 0$, all instances were solved by BP in under one second, and none were solved by MIP in over three hours. Furthermore, MIP only found feasible solution to two two instances in the three-hour time limit, with BP finding solutions at least as good as MIP for both of those instances. For $\alpha = 1$, MIP ran out of memory, and BP solved all instances within 2.09 seconds. Despite lacking optimality guarantees, BP can be used as a heuristic where MIP fails to identify any feasible solution. A significant drawback with the MIP formulation is that the number of variables in the optimization problem scales with the number of possible route choices. The number of possible route choices when passengers with different destinations share a CV grows exponentially as,

$$K_{P_1} + K_{P_2} + \cdots + K_{P_{\text{cap}}}.$$

As a consequence, the loading of the MIP model in memory consumes a significant amount of computational time ($\sim$1 hour) and solution of the linear relaxation at the root node also takes a comparable amount of time. This emphasizes the need for developing a decomposition algorithm for solving these instances to optimality, which can be pursued in future work. Until such an algorithm is developed, BP offers a computationally inexpensive and scalable approach to obtaining high-quality solutions.

8. Conclusion and future work

In this paper we introduce a decision diagram-based decomposition optimization algorithm for solving the problem of scheduling passengers on multiple legs of a last-mile transportation system. We study a version of the problem where in the last leg of the transportation system, passengers are transported via small-capacity commuter vehicles (CVs) to a limited set of destinations. In particular, we study a variant of the problem where each CV trip carries passengers to a common destination, showing that this simplified version remains NP-hard. The optimization framework developed relies on a decomposition of the problem into a collection of small-sized decision diagrams that can be mutually optimized over in order to find optimal solutions. This algorithm is shown to dramatically outperform existing techniques.
Through a vast and thorough set of computational experiments, we show that the algorithm developed can scale to problems of practical size. We also provide a thorough investigation of how one can balance conflicting objectives of minimizing passenger wait times with the total number of CV trips. Our experimental results indicate that focusing on both objectives simultaneously does not hinder the performance on either objective taken individually, indicating that practitioners can work with both objectives when planning schedules.

The potential for expansion of this work is vast, as automated transportation networks, particularly in the last-mile and with shared resources, become a reality. The variant studied in this paper is a simplified version of real-world systems, where CVs can stop in multiple destinations. The work of Raghunathan et al. (2018) indicates that the gap between the optimal solutions obtained by limiting CVs to stop at only one destination per trip might not be far from the optimal solutions in the more general version of the problem. In fact, the solutions obtained by the BDD-based model can be used as a heuristic to more general variants, and the numerical evaluation suggests that the solutions can be found very quickly and are of high quality. Given the substantial savings in the long-run for any such improvement, adopting the methods developed in this paper to the more general case might be an interesting research direction. Incorporating more real-world features like dynamic scheduling and response to traffic are additional dimensions that could potentially be added to the models developed in this paper. This work gives a critical and substantial first step towards understanding how to solve challenging automated scheduling problems in the context of automated commuter systems.

References


Appendix

A. Proof of Theorem 2

Before proceeding with the proof of Theorem 2, we present a lemma.

**Lemma 1.** Consider any feasible solution \( g = \{g_1, \ldots, g_r\} \) to the ILMTP-SD, with associated departure time from \( T_0 \) of \( t^l_i \), for \( l = 1, \ldots, r \). For any two passengers \( j', j'' \) for which \( d(j') = d(j'') \) and \( g(j') \neq g(j'') \), if the solution \( g' = \{g_1', \ldots, g_r'\} \) defined by

\[
g'_l = \begin{cases} g_l & : g_l \notin \{g(j'), g(j'')\} \\ g_l \cap \{j'\} & : g_l = g(j') \\ g_l \cap \{j''\} & : g_l = g(j'') \end{cases} \qquad \forall l = 1, \ldots, r
\]

with \( t^l_i = t^l_i \), is a feasible solution, then the objective function value of both solutions is the same.

**Proof of Lemma 1** Switching the two passengers does not add or delete any CV trips, and hence, \((1 - \alpha)\) times the number of CV trips remains unchanged. We need only ensure that the total wait time at \( T_0 \) remains unchanged.

Let \( l', l'' \) be the indices of the groups that passengers \( j', j'' \) are assigned to in \( g \), respectively. Furthermore, let \( \tau', \tau'' \) be the time that passengers \( j', j'' \) arrive to \( T_0 \) on their mass transit trips, respectively. The wait time at \( T_0 \) for passenger \( j' \) is changed from \( t^l_i - \tau' \) to \( t^l_i - \tau'' \), a net change of \( t^l_i - t^l_i \). By the same argument, the net change in wait time for passenger \( j'' \) is \( t^l_i - t^l_i \). The net changes in \( j', j'' \) cancel out. Since wait time of other passengers are not affected, the result holds.

Equipped with Lemma 1, we can now prove Theorem 2.

**Proof of Theorem 2** By way of contradiction, suppose there exists an instance for which there is no optimal solution satisfying the condition of the theorem for a \( d^* \in D \). Consider the optimal solution for which the smallest indexed passenger \( j \) that violates this condition is maximized. Let \( j^* \) be the smallest index in this solution for which there exists a \( k \) with \( g(j^*) = g(j^* + k) \) and \( g(j^* + 1) \neq g(j^*) \). Let \( k^* \) be such an index \( k \), and let \( g_t = g(j^*) \) and \( g_v = g(j^* + 1) \). We first show that \( j \geq j^* + 1 \) for all \( \{j \mid j \in g_v\} \). Suppose not; let \( j = \arg \max \{j \mid j \in g_v, j < j^* + 1\} \) (which will be non-empty by assumption). Then passenger \( j', j' + k' \) with \( j' = j, k' = j^* + 1 - j \) satisfy \( j', j' + k' \in g_v \) and \( j' + 1 \notin g_v \) are a set of indices violating the claim of the theorem with \( j' < j^* \), contradicting the minimality of \( j^* \). Hence, \( j^* + 1 \) is the minimum index among all \( j \in g_v \).

In the remainder of the proof, we construct another solution in which the index \( j^* \) does not violate the claims of the theorem. This contradicts the maximality of \( j^* \) among all optimal solutions, thereby establishing the result.

Conditioning on the relative values of the departure times of the CVs for \( g_t \) and \( g_v \), first consider the case where \( t^l_i \leq t^l_i \). We claim that exchanging the group assignment of \( j^* + 1 \) and \( j^* + k^* \) and holding all else equal results in another feasible solution. For all passengers \( j \), let \( rel(j), ded(j) \) be \( t^r(j) - T_w, t^r(j) + T_w \).
respectively. We need only show that (a) \( \text{rel}(j^* + 1) \leq t^*_i + \tau^1(d^*) \leq \text{ded}(j^* + 1) \) and (b) \( \text{rel}(j^* + k^*) \leq t^*_i + \tau^1(d^*) \). (a) follows because any passenger can be placed in a group with fewer than \( v^\text{cap} \) passengers without breaking feasibility if the passenger’s request time is before or after at least one other passenger. The first inequality in (b) follows because \( \text{rel}(j^* + k^*) \leq t^*_i + \tau^1(d^*) \), by the feasibility of the original solution, and \( t^*_i + \tau^1(d^*) \leq t^*_i + \tau^1(d^*) \), by assumption. The second inequality in (b) holds because \( \text{ded}(j^* + 1) \leq t^*_i + \tau^1(d^*) \), by the feasibility of the original solution and \( \text{ded}(j^* + 1) \leq \text{ded}(j^* + k^*) \), by the ordering of passengers. Furthermore, by Lemma 1 the objective function remains unchanged by this exchange, and is therefore optimal. If the resulting solution satisfies the claim of this theorem, then the claim holds. If not, then the claim of this theorem is violated for another \( j > j^* \); contradicting the maximality of \( j^* \).

We now consider the alternative case where \( t^*_i > t^*_i \). The exchange from the previous case may not work because putting passenger \( j^* + k^* \) into group \( g_{i^*} \) may not be feasible. Additionally, if there exist \( k' > 0 \) passengers in \( g_{i^*} \) with indices lower than \( j^* \) then these passengers must be \( j^* - k', \ldots, j^* - 1 \). If not, it would contradict the assumption of \( j^* \) as the smallest index in the optimal solution violating the claim of this theorem. Define \( k' \) so that \( j^* - k' \) is the minimum indexed passenger in group \( g_{i^*} \), which is 0 if \( j^* \) is the minimum indexed passenger.

Consider the following two-step exchange—for \( i = 0, \ldots, k' \), move each passenger \( j^* - i \) from \( g_i \) into \( g_{i^*} \). Then, move the \( k' + 1 \) passengers with the highest indices in the resulting \( g_{i^*} \) into \( g_i \). The resulting groups have the same cardinality as they originally had, and so by Lemma 1 the objective values remain the same.

We now show that the resulting solution is valid and then show that the choice of optimal solution contradicts the maximality among optimal solutions assumption on the selection of \( j^* \), which concludes the proof. Any passenger \( j^* - i \in g_i \) for \( i = 0, ..., k' \) can be moved to \( g_{i^*} \) without violating \( (j^* - i) \)'s arrival time window because \( \text{rel}(j^* - i) \leq \text{rel}(j^* + 1) \leq t^*_i + \tau^1(d^*) < t^*_i + \tau^1(d^*) \) and \( \text{ded}(j^* - i) \geq t^*_i + \tau^1(d^*) \geq t^*_i + \tau^1(d^*) \). Additionally, any passenger \( j \in g_{i^*} \) can be moved to \( g_i \) without violating the arrival time windows because \( \text{rel}(j) \leq t^*_i + \tau^1(d^*) < t^*_i + \tau^1(d^*) \) and \( \text{ded}(j) \geq \text{ded}(j^* + 1) \geq \text{ded}(j^*) \geq t^*_i + \tau^1(d^*) \) where first inequality follows from the result that \( (j^* + 1) \) is the minimum index for all \( j \in g_{i^*} \). Hence, the resulting solution is also optimal. Finally, if the resulting solution violates the claim of this theorem, then the smallest index must be larger than \( j^* \). This again contradicts the maximality of \( j^* \) among all optimal solutions, as assumed.

\[ \square \]

**B. Proof of Proposition 1**

*Proof.* First, note that Lemma 1 (see Appendix A) continues to hold. Observe that the total waiting times at \( T_0 \) remains unchanged. However, the travel times on the CVs for the exchanged passengers \( j', j'' \) are different. In the grouping \( g \), the travel time on CVs for passengers \( j', j'' \) are \( \tau(d, t') , \tau(d, t'') \) where \( t', t'' \) are the start times on the CVs for the groups \( g(j'), g(j'') \) respectively. The exchange results in the travel times on the CVs being swapped for \( j', j'' \). Thus, the sum of the travel times to the destination for the exchanged passengers continues to be the same and the objective is unchanged.

The remainder of the proof can be repeated with the following observations:

- The minimality of \( j^* + 1 \) among the indices in \( g(j^* + 1) \) continues to hold.
• The proof of Theorem 2 considers two cases: \( t^g_i \leq t^g_{i'} \) and \( t^g_i > t^g_{i'} \). In the context of time-dependent travel times consider the two cases: \( t^g_i + \tau^1(d^*, t^g_i) \leq t^g_{i'} + \tau^1(d^*, t^g_{i'}) \) and \( t^g_i + \tau^1(d^*, t^g_i) > t^g_{i'} + \tau^1(d^*, t^g_{i'}) \).

The arguments in the proof of Theorem 2 can be repeated to complete the proof. □

C. Proof of Theorem 4

Proof. Constructively from Algorithm 1 the number of nodes in the DD is at most \((n_d + 1) \cdot v^{\text{cap}} = O(n_d \cdot v^{\text{cap}})\). Each node has at most \(T_w \cdot 2 + 1\) arcs, so that the maximum number of arcs is \((n_d + 1) \cdot v^{\text{cap}} \cdot (T_w \cdot 2 + 1) = O(n_d \cdot v^{\text{cap}} \cdot T_w)\), as desired. Since it takes constant time to create each arc, the time bound follows.

For property (DD-1), fix an arbitrary destination \( d \), and consider any path \( p \in P^d \) and a passenger \( j^d_i \).

Consider the first one-arc in \( p \) below layer \( i \) (including that layer). Note that since the last layer only contains one-arcs, such an arc exists. Suppose this one-arc is directed out of node \( u \) in layer \( L^d_i \), with \( i' \geq i \). By construction, the state of \( u \) must be greater than or equal to \( i' - i \). \( g(a) \) therefore contains \( j^d_i \), and so \( j^d_i \) is in at least one group in \( g(p) \). Furthermore, any one-arc below layer \( L^d_i \) that connects \( \omega(a') \) to \( t^b \) can only select passengers \( j^d_{i''} \), with \( i'' \geq i' \), and so \( j^d_i \) appears in exactly one \( g(p) \).

Property (DD-2) is satisfied by construction—each one-arc \( a' \) directed out of node \( u \) satisfies that every passenger in \( g(a) \) will arrive to \( d \) within the desired range of arrival times.

What remains to be shown is that property (DD-3) is satisfied. Fix an arbitrary \( g' \in G^d \). Let \( g_1, \ldots, g_f \) be the \( f \) groups in \( g' \), ordered by the index of the passengers in the groups. Let \( j^d_{i_h} \) be the highest indexed passenger in each group \( h \), \( h = 1, \ldots, f \). We proceed by induction on \( h \) to show that there is a sequence of zero-arcs from the node on layer \( L^d_{i_h} \) to layer \( L^d_{i_h + 1} \) to a node \( u \) with state \( i_h + 1 - i_h \), and then a one-arc from \( u \) to the node on layer \( L^d_{i_h + 1} \) with state 0 for every time that the passengers can mutually depart from \( T_0 \).

We first establish the base case. Starting from \( r^d \), follow \( i_1 - 1 \) zero-arcs until layer \( L^d_{i_1 - 1} \). Because \( g_1 \) is in \( g' \), each \( t \in \{ t^e(j^d_1), \ldots, t^e(j^d_{i_1}) \} \) is a feasible departure time from \( T_0 \) for \( g_1 \), and so a one-arc directed out of the node on this layer with state \( i_1 - 1 \) will be added to \( D^d \) with the arc-start-time \( t \).

By induction on \( h \), consider the node \( u \) on layer \( L^d_{i_h} \) with state 0. Follow \( i_{h+1} - 1 - i_h \) zero-arcs. This will end at a node \( u' \) on layer \( L^d_{i_{h+1} - 1} \) with state \( i_{h+1} - 1 - i_h \). Since \( g_h \in g' \), each time \( t \in \{ t^e(j^d_{i_{h+1}}), \ldots, t^e(j^d_{i_h} + 1) \} \) is a feasible departure time from \( T_0 \) for all passengers in \( g_j \), and so a one-arc from \( u' \) to the node on layer \( L^d_{i_{h+1}} \) with state 0 will be added to \( D^d \) with this arc-start-time. □