A Stopping Rule for Facilities Location Algorithms

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Abstract. The single facility location model with Euclidean distances and its multi-facility and $\ell_p$ distance generalizations are considered. With present algorithms a user is unable to decide how close to optimal any given feasible solution is. This article describes a procedure for calculating a lower bound on the optimal objective function when a proposed solution is given.

Location problems concern themselves with finding the best location for new facilities (one or more warehouses for example) with respect to a number of existing facilities (retailers to be supplied from the warehouses). In continuous location problems the cost elements are the transportation costs between the new facility and each of the existing facilities. The transportation costs are usually assumed to be proportional to some measure of the distance between the facilities, with the constant of proportionality incorporating the annual volume transported and the transportation cost per unit volume per unit distance. A practical application of a continuous location model involved the location of two new machines in an existing plant layout [11].

This article proposes a rational stopping criterion for use with iterative algorithms used to solve continuous facility location problems. The method is developed for both single and multi-facility location problems with generalized $\ell_p$ distance measures. In practice, the advantages of computing a lower bound on the optimal cost of a location problem is the computer time
savings that may be achieved and the confidence gained by the user that his solution is as close to optimality as he desires while using an iterative solution procedure. Computation time savings are achieved by knowing exactly when to stop the iterative procedure rather than carrying on needless calculations attempting to satisfy an arbitrary stopping rule. Computational savings may be especially significant when very large numbers of individual location problems must be solved during a single computer run. This occurs, for example, when one utilizes a location-allocation algorithm to solve warehouse and plant location problems [8].

The single-facility location problem is to

\[
\text{minimize } W(x) = \sum_{j=1}^{n} w_j d(x,a_j). \tag{1}
\]

where

- \(n\) is the number of existing facilities, \(w_j\) converts the distance between the new facility and existing facility \(j\) into cost,
- \(x = (x_1, x_2)\) is the location of the new facility on the plane,
- \(a_j = (a_{j1}, a_{j2})\) is the location of existing facility \(j\), and
- \(d(x,a_j)\) is the Euclidean distance between the new facility and existing facility \(j\).

It is generally conceded that the first iterative procedure for solving (1) was proposed by Weiszfeld [15]. The stopping rule given here is not restricted to be used only with Weiszfeld's procedure. However, since the Weiszfeld procedure is so well known, we shall use it and a new generalized version of it to demonstrate the method.

At the \(k^{th}\) iteration of Weiszfeld's procedure, a point \(x_k = (x_{k1}, x_{k2})\) is generated as follows:
The convergence properties of the sequence (2) have been discussed by Weiszfeld [15], Katz [4,5], Kuhn [6] and Ostresh [14], among others. From a practical computing aspect, however, the important issue of a useable stopping criterion has been ignored. It has generally been the practice to stop the sequence when an iteration produces an improvement in the objective function which is less than a pre-specified value, or when the partial derivatives of \( W(x) \) become "small". However, these types of criteria are arbitrary and give no assurance that the present solution is close to optimal, either in decision or value space. In this article, we develop a computational procedure which enables the user to compute at each step of (2) and a generalized version of (2) a lower bound on the optimal objective function value. The iterative procedure given by (2) can then be automatically terminated when the difference between the current solution value and the lower bound is within a prespecified tolerance set by the user.

Development of the Stopping Criterion

The points of interest for the sequence generated by (2) do not include the \( a_j, j=1,\ldots,n \). These points are generally tested for optimality using the following criterion given by Kuhn [7].

\[
W(x) \text{ is minimum at } (a_{r1},a_{r2}) \text{ if and only if }
\left[ \left( \sum_{j=1}^{n} \frac{w_j(a_{r1}-a_{j1})}{d(a_{r1},a_j)} \right)^2 + \left( \sum_{j=1}^{n} \frac{w_j(a_{r2}-a_{j2})}{d(a_{r2},a_j)} \right)^2 \right]^{1/2} \leq w_r.
\]
The $a_j$ are tested using (3) before the computation of the sequence (2) is started, since it is only in the event that none of the $a_j$ are optimal that we are interested in generating the sequence. For our purposes, we ignore the $a_j$ and assume that none of them will become part of the sequence generated by (2).

Note that $W(x)$ is a convex function, and except for the points $a_j$, $j = 1, \ldots, n$, $W(x)$ is differentiable. Thus

$$W(y) \geq W(x) + \nabla W(x)'(y-x) \quad \text{for all } x, y \in E^2,$$

where $\nabla W(x)$ is the gradient of $W(x)$ and the prime denotes transpose. Let $\Omega$ be the convex hull generated by the fixed points $a_j$, $j = 1, \ldots, n$, and for $x \in E^2$, let

$$\sigma(x) = \max_{y \in \Omega} \{d(x,y)\}.$$ 

Since the maximum of a convex function defined on a compact convex set occurs at an extreme point, it follows that

$$\sigma(x) = \max_{j=1, \ldots, n} \{d(x,a_j)\}.$$ 

**Proposition**

For the single facility location problem, let $x_k$ be the solution point given by the Weiszfeld procedure at the $k^{th}$ iteration. Then a bound on the improvement in the objective function value in succeeding iterations is given by $\sigma(x_k) \|\nabla W(x_k)\|$. 

**Proof**

The optimum solution $x^*$ for the single facility location problem is in $\Omega$, and the Weiszfeld procedure generates the sequence $(x_k)_{k=1}^\infty$ such that $x_k \rightarrow x^*$. Let $y \in \Omega$ such that $y \neq x_k$. Then $y = x_k + \sigma r$, where $\sigma > 0$, and $r$ is the unit directional vector from $x_k$ to $y$. 


Since $W(x)$ is convex,

$$W(y) \geq W(x_k) + \nabla W(x_k)'(y-x_k)$$

$$= W(x_k) + \sigma \nabla W(x_k)'(y-x_k) - \frac{\nabla W(x_k)}{\|\nabla W(x_k)\|}$$

$$= W(x_k) - \sigma \|\nabla W(x_k)\|$$

Since the above inequality holds for all $y \in \Omega$,

$$W(x_k) - W(x^*) \leq \sigma(x_k) \|\nabla W(x_k)\|.$$

This result suggests the following stopping criterion for the Weiszfeld procedure. At iteration $k$, let $x_k$ be the current solution point given by the Weiszfeld procedure, with current objective function value $W(x_k)$. Compute $\sigma(x_k)$ and $\|\nabla W(x_k)\|$. Then, if

$$\frac{\sigma(x_k) \|\nabla W(x_k)\|}{W(x_k)} \times 100\% \leq \alpha\%,$$

stop and accept $x_k$ as an adequate solution for problem (1), where $\alpha > 0$ is a prespecified tolerance.

**Extension to the Multi-Facility $l_p$ Distance Problem**

The multi-facility $l_p$ distance location problem is to

$$\text{minimize } W_{l_p}(x) = \sum_{i=1}^{m} \sum_{j=1}^{n} w_{i,j} \left[ |x_{i1} - a_{j1}|^p + |x_{i2} - a_{j2}|^p \right]^{1/p}$$

$$+ \sum_{i \in \mathcal{I}} \sum_{r \in \mathcal{R}} w_{i,r} \left[ |x_{i1} - x_{r1}|^p + |x_{i2} - x_{r2}|^p \right]^{1/p}, \quad (6)$$
where

- \( m \) is the number of new facilities,
- \( n \) is the number of existing facilities,
- \( w_{1ij} \) is the parameter which converts the distance between new facility \( i \) and existing facility \( j \) into cost,
- \( w_{2ir} \) is the parameter which converts the distance between the \( i \)th and \( r \)th new facilities into cost (\( i \neq r \)), and
- \( x_i = (x_{i1}, x_{i2}) \) are the location coordinates of new facility \( i \),
- \( a_j = (a_{j1}, a_{j2}) \) are the location coordinates of existing facility \( j \), and
- \( p \) is the \( \ell_p \) distance parameter. (Note the notational difference between \( x_i \), \( i=1,2 \), in this section as compared to that used in discussing the single facility model.)

We shall now illustrate how one could generalize the stopping rule to any iterative algorithm used to solve problem (6). Define \( \Omega \subset E^{2m} \) as

\[
\Omega = \{ x = (x_{11}, x_{12}, \ldots, x_{ml}, x_{m2}) \mid (x_{i1}, x_{i2}) \in \Omega, i=1,\ldots,m \}. 
\]

For any \( x \in E^{2m} \), let \( \sigma(x) = \max \{ d(x,y) \mid y \in \Omega \} \). Since for any \( y \in \Omega \),

\[
d(x,y) = \| x-y \| = \left( \sum_{i=1}^{m} [d(x_i,y_i)]^2 \right)^{1/2} \leq \left( \sum_{i=1}^{m} (\sigma(x_i))^2 \right)^{1/2}. 
\]

Therefore,

\[
\sigma(x) \leq \left( \sum_{i=1}^{m} (\sigma(x_i))^2 \right)^{1/2}. 
\]

Let \( x_k = (x_{k1}, \ldots, x_{ml}, x_{m2}) \) be a point generated by any iterative procedure at the \( k \)th iteration and let \( W_{MP}(\tilde{x}) = \min W_{MP}(x) \). Using a result by Juel [3], the optimal solution \( \tilde{x} \) is in \( \Omega \), and we have, by analogous argument to the single facility case

\[
W_{MP}(x_k) - W_{MP}(\tilde{x}) \leq \frac{\sigma(x_k)}{\| \nabla W_{MP}(x_k) \|}. \tag{7} 
\]

The first order derivatives of \( W_{MP}(x) \) are not defined at the existing facility locations [9]. In an effort to overcome this problem, Wesolowsky and Love [16] and Eyster, White and Wierwille [1] proposed the following hyperbolic approximating function to replace \( W_{MP}(x) \):
\[ W_{ph}(x) = \sum_{i=1}^{m} \sum_{j=1}^{n} w_{ij} \left( ((x_{i1} - a_{j1})^2 + \varepsilon)^{p/2} + ((x_{i2} - a_{j2})^2 + \varepsilon)^{p/2} \right)^{1/p} \]

\[ \sum_{i<r} w_{2ir} \left( ((x_{i1} - a_{r1})^2 + \varepsilon)^{p/2} + ((x_{i2} - x_{r2})^2 + \varepsilon)^{p/2} \right)^{1/p}, \]

where \( \varepsilon > 0 \). The function \( W_{ph}(x) \) is strictly convex and is differentiable to any order everywhere. It can easily be shown that \( W_{ph}(x) \) is uniformly convergent to \( W_p(x) \) as \( \varepsilon \to 0 \) since

\[ \max \left( W_{ph}(x) - W_p(x) \right) = 2^{1/p} \varepsilon^{1/2} \left( \sum_{i=1}^{m} \sum_{j=1}^{n} w_{ij} + \sum_{i<r} w_{2ir} \right). \]

By setting \( \partial W_{ph}(x) / \partial x \) to zero, the iterative sequence given by (2) generalizes to the multi-facility case for \( r=1,2,\ldots,m \) and \( s=1,2 \) as:

\[ x_{rs}^{k+1} = \frac{(A+B)}{(C+D)}, \]  

where

\[ A = \sum_{i=1}^{m} \frac{w_{2ri} x_{is}^k}{\left( ((x_{r1} - x_{i1})^2 + \varepsilon)^{p/2} + ((x_{r2} - x_{i2})^2 + \varepsilon)^{p/2} \right)^{p-1} / p \left( (x_{r1} - x_{i1})^2 + \varepsilon \right)^{(2-p)/2}}, \]

\[ B = \sum_{j=1}^{n} \frac{w_{2rj} a_{js}}{\left( ((x_{r1} - a_{j1})^2 + \varepsilon)^{p/2} + ((x_{r2} - a_{j2})^2 + \varepsilon)^{p/2} \right)^{p-1} / p \left( (x_{r1} - a_{j1})^2 + \varepsilon \right)^{(2-p)/2}}, \]

\[ C = \sum_{i=1}^{m} \frac{w_{2ri}}{\left( ((x_{r1} - x_{i1})^2 + \varepsilon)^{p/2} + ((x_{r2} - x_{i2})^2 + \varepsilon)^{p/2} \right)^{p-1} / p \left( (x_{r1} - x_{i1})^2 + \varepsilon \right)^{(2-p)/2}}, \]

and

\[ D = \sum_{j=1}^{n} \frac{w_{2rj}}{\left( ((x_{r1} - a_{j1})^2 + \varepsilon)^{p/2} + ((x_{r2} - a_{j2})^2 + \varepsilon)^{p/2} \right)^{p-1} / p \left( (x_{r1} - a_{j1})^2 + \varepsilon \right)^{(2-p)/2}}. \]

Ostresh [13] has proved that for \( p=2 \) this generalized Weiszfeld sequence is strictly decreasing and Morris [12] has given a convergence proof for \( 1 < p \leq 2 \).

In numerical tests run by the authors and others, the sequence has always come within any specified tolerance to an optimum solution [10].
Let $x^*$ be the optimal solution of $\text{W}_{ph}(x)$ and $x_k$ be the point generated by (10) at the $k$th iteration. Then

$$\text{W}_{ph}(x_k) - \text{W}_{p}(\bar{x}) = \text{W}_{ph}(x_k) - \text{W}_{ph}(x^*) + \text{W}_{ph}(x^*) - \text{W}_{p}(\bar{x})$$

$$\leq \text{W}_{ph}(x_k) - \text{W}_{ph}(x^*) + \sqrt{\text{W}_{ph}(x^*) - \text{W}_{p}(\bar{x})}$$

$$\leq \frac{s(x_k)}{\sqrt{\text{W}_{ph}(x_k)}}$$

$$+ 2^{1/p} e^{1/2} \left( \sum_{i=1}^{m} \sum_{j=1}^{n} w_{ij} + \sum_{i<r} w_{2ir} \right).$$

Hence, by rearranging (11) a lower bound for $\text{W}_{p}(\bar{x})$ can be obtained at each iteration of the generalized Weiszfeld procedure (10).

**Computational Experience**

The stopping criterion has been tested on several single and multi-facility test problems. The added computational cost is slight since the criterion uses values which have been computed in the course of the Weiszfeld procedure anyway. In all examples that the authors have run, the total cost function was strictly decreasing as is proved theoretically by Weiszfeld [15], Katz [4,5], and Morris [12]. The following example has 5 existing facilities and 3 new facilities.

<table>
<thead>
<tr>
<th>$a_j$</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2, 3)</td>
<td>(4, 2)</td>
<td>(5, 4)</td>
<td>(3, 5)</td>
<td>(6, 7)</td>
</tr>
</tbody>
</table>

Table 1
Existing Facility Locations
With \( p = 1.8 \), and \( \epsilon = 10^{-6} \), the following table contains computational results for the problem using the generalized Weiszfeld procedure. The initial solution points taken were:

\[
(x_{11}, x_{12}) = (x_{21}, x_{22}) = (x_{31}, x_{32}) = (0, 0).
\]

After 20 iterations the objective function has come within .87% of the optimal solution; after 40 iterations it is within .127% of the optimal solution.

Multi-facility problems are usually much slower to converge than single facility problems on average (based on our experiences with running about 20 multi-facility problems and about 50 single facility problems). A single facility problem will usually converge to within .1% of the optimal solution in less than 5 iterations. There are, of course, exceptions. R. L. Francis has
### Table 4: Computational Results for Example

<table>
<thead>
<tr>
<th>Iteration</th>
<th>( \omega )</th>
<th>( x )</th>
<th>( x^2 )</th>
<th>( x^3 )</th>
<th>( x^4 )</th>
<th>( x^5 )</th>
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<th>( x^8 )</th>
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<td>No. 1</td>
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- \( d(x) \) on \( \omega \) (x) {\( \omega \) (x): \( d(x) \)} lower bound
noted that if one cluster of fixed facilities is near the origin and another fixed facility or cluster of fixed facilities is relatively far away from the origin, given certain weight structures convergence may be very slow [2]. In cases of this type the stopping criterion is especially useful.

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References


