

TransportLab Seminar

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## Multi-objective Multi-stage Stochastic Linear Programming for Strategic Planning of Shared Autonomous Vehicle Operation and Infrastructure Design with On-demand and Pre-booked Requests

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Outline



## Introduction

- Problem statement
- Formulation
- Theoretical properties & solution methods
- Numerical experiments
- Summary and future works

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# Introduction



# Background: SAV Infrastructure Design



**Requirements for SAV infrastructure design planning** 

### Incorporating **SAV operations**

### **SAV operations**

- SAV dispatching and routing
- Vehicle-traveler assignment
- Ride-sharing matching



### **Strategic SAV planning**

Road network design
Parking location
SAV fleet sizing

### **Trade-off relations**

- Immediate response to trip requests needs sufficient fleet size of SAVs.
- Ensuring the feasibility of smooth SAV operation requires significant investments in infrastructure resources.

Multi-objective optimization framework



# Background: SAV Infrastructure Design







- Demand uncertainty can emphasize the importance of capturing the trade-off relations.
- Future trip requests can only be predicted stochastically.
- Trip requests are time-varying.
  - (Multi-stage) stochastic programming



## Promising Management Strategies for Uncertain Demand



### On-demand and pre-booked trip requests

- <On-demand requests>
- Travelers send their trip requests (including origin and destination) at their desired departure time.





## Promising Management Strategies for Uncertain Demand





# Methodological Challenges



### Previous studies on stochastic & dynamic optimization

e.g., Reinforcement Learning, Approximate Dynamic Programming, or Customized heuristic algorithm

#### <Strong points>

Address large-scale optimization problems.
Finds approximate solutions in real time.

#### <Weak points>

Not generally have optimality guarantees.
 Hard to find (general) policy implications.

### Strategic-level and operational-level decision-making

- Real-time (operational-level) decision-making requires approaches to find good solutions quickly. Finding better solutions is all that is required.
- Strategic-level decision making (e.g., infrastructure planning) requires careful consideration, i.e., finding elegant solutions.

(e.g., global optimality, explainability, and generality)

- Infrastructure investment is expensive.
- Infrastructure construction is irreversible. Flexible changes are difficult.
- Accurate estimation of all model parameters is impossible.



**Research Objective** 

 For infrastructure design incorporating SAV operations with uncertain on-demand and pre-booked requests,
 we develop an optimization framework with optimality guarantees, and
 we derive theoretical properties of the problem.

### **Contributions**

We formulate multi-stage stochastic linear problems (MSSLPs).
 They can be solved by multi-stage Benders decomposition with guaranteed convergence.
 Multi-objective optimization can be transformed into weighted sum single-objective one.

We derive theoretical properties leveraging the linearity of the problem.
 Ride-sharing does not increase expected strategic and operational costs, simultaneously.
 Pre-booking does not increase expected strategic and operational costs, simultaneously.

The introduction of ride-sharing or pre-booking always leads to a Pareto-efficient SAV system.

# Problem Statement

## System Specification



<u>Network</u>

Directed graph (e.g., Road network).

<u>Planning horizon</u>

Discrete and finite.

### <u>Platform</u>

- Centralized (single) decision-maker,
- Decides infra. design, fleet size, and operation.

### <u>SAVs</u>

■ Travel on the road network in an optimized manner.

<u>Travelers</u>

Travel only by SAVs



## System Specification: Platform

- (Continuous) decision variables
  - Node and link capacities
  - The number of SAVs
  - SAV and traveler dynamic flows

- ← Infrastructure planning
- ← Fleet sizing
- ← Routing and ride-sharing matching
- Objective functions: multi-objective optimization problem
  - Total travel time of travelers T
  - Total distance traveled by SAVs D
  - The number of SAVs N
  - Total infrastructure costs C

### Demand information

- Probability distributions are available when infrastructure planning,
- Pre-booked trip requests are available when fleet sizing, and
- On-demand trip requests are available when SAV routing and matching.









- Infrastructure planning stage: {0}
- Fleet-sizing stage: {1}
- SAV operation stages:  $\mathcal{T} = \{2, \dots, T\}$

![](_page_13_Figure_6.jpeg)

![](_page_13_Picture_7.jpeg)

Pre-booked requests

On-demand requests

![](_page_13_Figure_10.jpeg)

![](_page_14_Picture_1.jpeg)

- Planning horizon:  $T_0 = \{0, ..., T\}$ 
  - Infrastructure planning stage: {0}
  - Fleet-sizing stage: {1}
  - SAV operation stages:  $\mathcal{T} = \{2, ..., T\}$

![](_page_14_Figure_6.jpeg)

![](_page_14_Figure_7.jpeg)

Pre-booked requests C

On-demand requests

{0}			
infra. planning			
	Ι<	SAV operation stages (e.g., 1 hour)	>
<b>K</b>	pla	nning horizon	>

![](_page_15_Picture_1.jpeg)

- Planning horizon:  $T_0 = \{0, ..., T\}$ 
  - Infrastructure planning stage: {0}
  - Fleet-sizing stage: {1}
  - SAV operation stages:  $\mathcal{T} = \{2, ..., T\}$

![](_page_15_Figure_6.jpeg)

![](_page_15_Figure_7.jpeg)

Pre-booked requests On-d

On-demand requests

![](_page_15_Figure_10.jpeg)

![](_page_16_Picture_1.jpeg)

 $\{T\}$ 

SAV

operation

on-demand

request

![](_page_16_Figure_2.jpeg)

SAV operation stages (e.g., 1 hour)

#### planning horizon

![](_page_17_Picture_1.jpeg)

### <u>Travelers</u>

- Travelers send trip requests to SAV platforms.
  - Each request includes origin, destination, departure time, and latest arrival time.
- Probability distributions are given, and the sample space is finite.
- Requests are satisfied only by SAVs.
- Travelers follow optimized routes indicated by the platform.

### <u>SAVs</u>

- SAVs provide transportation services to travelers with ridesharing.
- The capacity of each SAV is pre-determined and homogenous.
- SAVs run on a road network under link and node capacity constraints.
  - Links have traffic capacity and free-flow travel time.
  - Nodes have traffic (storage) capacity.
- SAVs follow the optimized route indicated by the platform.

# Formulation

![](_page_19_Figure_0.jpeg)

# Formulation: Notations

![](_page_20_Picture_1.jpeg)

Routing and ridesharing		List of variable notations	
travelers	notation	definition	
SAV flow →	$x_{ij}^t$	flow of SAVs that start traveling link $ij \in \mathcal{L}$ on time step $t \in \mathcal{T}$	
Traveler flow $\rightarrow$	$y_{s,ij}^{k,t}, \hat{y}_{s,ij}^{k,t}$	flow of pre-booked/on-demand travelers who start traveling link $ij \in \mathcal{L}$ on time step $t \in \mathcal{T}^k$ ,	
		destination node $s \in \mathcal{S}$ , and departure time step $k \in \mathcal{K}$	
	$A^{k,t}_{rs}, \hat{A}^{k,t}_{rs}$	Cumulative number of pre-booked/on-demand traveler departures on time step $t \in \mathcal{T}^k$ ,	
		with origin node $r \in \mathcal{R}$ , destination node $s \in \mathcal{S}$ , and departure time step $k \in \mathcal{K}$	
	$D^{k,t}_s, \hat{D}^{k,t}_s$	Cumulative number of pre-booked/on-demand traveler arrivals on time step $t \in \mathcal{T}^k$ ,	
Infra. planning		with destination node $s \in \mathcal{S}$ , and departure time step $k \in \mathcal{K}$	
Traffic capacity $\rightarrow$	$\mu_{ij}$	traffic capacity of link $ij \in \mathcal{L}$	
	$T^t$	total travel time of travelers on time step $t \in \mathcal{T}$ (including waiting time on nodes)	
The number	$D^t$	total distance traveled by SAVs on time step $t \in \mathcal{T}$	
of SAVs $\rightarrow$	N	total number of SAVs	
Fleet sizing	C	total cost of infrastructure construction	

![](_page_21_Figure_0.jpeg)

![](_page_22_Figure_0.jpeg)

# Theoretical properties & solution methods

# Reformulation to Single-objective Optimization

### Multi-objective formulation

### [MSSP-SAV]

min C,  $\mathbb{E}[N]$ ,  $\mathbb{E}[T]$ ,  $\mathbb{E}[D]$ 

- s.t. linear constraints (e.g., capacity constraints)
  - [MSSP-SAV] is solved when its Pareto frontier (a set of the Pareto efficient solutions) is derived.
  - A solution is Pareto-efficient\* when any of the objective function values cannot be decreased without increasing the other(s).

### Single-objective reformulation

[MSSP-SAV-WS]

 $\min \alpha(C + \mathbb{E}[N]) + (1 - \alpha)(\mathbb{E}[T] + \mathbb{E}[D])$ 

s.t. linear constraints (e.g., capacity constraints)

\* The definition of a Pareto-efficient solution in stochastic programs can be seen in Dowson et al. (2022).

 $\alpha$  weighted parameter ( $0 \le \alpha \le 1$ )

 $\alpha = 0$ : minimization of  $\mathbb{E}[T] + \mathbb{E}[D]$ 

 $\alpha = 1$ : minimization of  $C + \mathbb{E}[N]$ 

![](_page_24_Picture_15.jpeg)

![](_page_24_Picture_16.jpeg)

#### 26 🥭 Reformulation to Dynamic Programming Equations $z^{t}$ : decision variable vector $\boldsymbol{\xi}^{[t]} = \{\boldsymbol{\xi}^1, \dots, \boldsymbol{\xi}^t\}$ : stochastic demand process Nested reformulation of [MSSP-SAV-WS] $\chi^{t}(z^{t-1},\xi^{t})$ : feasible region given past decisions $z^{t-1}$ and realizations $\xi^t$ **Pre-booked requests On-demand requests** $\min_{\boldsymbol{z}^{0}\in\mathcal{X}^{0}}F^{0}(\boldsymbol{z}^{0}) + \mathbb{E}^{0}\left[\min_{\boldsymbol{z}^{1}\in\mathcal{X}^{1}(\boldsymbol{z}^{0},\boldsymbol{\xi}^{[1]})}F^{1}(\boldsymbol{z}^{1},\boldsymbol{\xi}^{[1]}) + \mathbb{E}^{1}\left[\min_{\boldsymbol{z}^{2}\in\mathcal{X}^{2}(\boldsymbol{z}^{1},\boldsymbol{\xi}^{[2]})}F^{2}(\boldsymbol{z}^{2},\boldsymbol{\xi}^{[2]}) + \mathbb{E}^{2}\right] \cdots + \mathbb{E}^{T-1}\left[\min_{\boldsymbol{z}^{T}\in\mathcal{X}^{T}(\boldsymbol{z}^{T-1},\boldsymbol{\xi}^{[T]})}F^{T}(\boldsymbol{z}^{T},\boldsymbol{\xi}^{[T]})\right]\right]$ where $F^{t} = \begin{cases} \alpha C & \text{if } t = 0 \\ \alpha N & \text{if } t = 1 \\ (1 - \alpha)(T^{t} + D^{t}) & \text{otherwise} \end{cases}$ Infra. planning Fleet sizing SAV operations

### Stochastic Dual Dynamic Programming (SDDP)

- SDDP can yield the optimal solution to MSSPs\* with guaranteed convergence under
- Feasible region  $\chi^t$  is a non-empty, unbounded, and convex,
- The objective function  $F^t$  is convex,
- The stochastic process  $\{\boldsymbol{\xi}^1, \dots, \boldsymbol{\xi}^T\}$  is Markov, and
- The number of realizations of  $\{\boldsymbol{\xi}^1, \dots, \boldsymbol{\xi}^T\}$  is finite.

\* The sufficient condition of the global convergence can be seen in Guigues (2016) and Dowson (2020).

\* We consider a probability space  $(\Omega, \mathcal{F}, P)$ , and we let  $\{\emptyset, \Omega\} = \mathcal{F}^0 \subset \mathcal{F}^1 \subset \cdots \subset \mathcal{F}^T = \mathcal{F}$  be sub sigma-algebras of  $\mathcal{F}$  that form a filtration.

![](_page_26_Picture_2.jpeg)

#### **Theorem 1.**

For all  $\hat{\rho} > \tilde{\rho} > 0$  and for all Pareto-efficient solutions in [MSSP-SAV] with  $\rho = \tilde{\rho}$ , there exists more weakly efficient solutions in [MSSP-SAV] with  $\rho = \hat{\rho}$ .

- $\rho = 1$  represents peer-to-peer matching, whereas  $\rho > 1$  represents ride-share matching.
- Ride-sharing can reduce strategic and operational costs simultaneously if SAV systems are properly designed and operated.

#### Theorem 2\*.

For all  $\hat{\mathcal{F}}^1 \supset \tilde{\mathcal{F}}^1 \supseteq \emptyset$ , where  $\mathcal{F}^t$  corresponds to the information available through time t, and for all Pareto-efficient solutions in [MSSP-SAV] with  $\mathcal{F}^1 = \tilde{\mathcal{F}}^1$ , there exists more weakly efficient solutions in [MSSP-SAV] with  $\mathcal{F}^1 = \hat{\mathcal{F}}^1$ .

- $\mathcal{F}^1 = \mathcal{F}^0$  represents all trip requests are on-demand, whereas  $\mathcal{F}^1 = \mathcal{F}$  represents the opposite (i.e., pre-booked).
- Pre-booking options can reduce strategic and operational costs simultaneously if SAV systems are properly designed and operated.

# Numerical experiments

- Numerical experiments with actual travel data from New York City (NYC) were conducted.
- The NYC taxi data from 8:00 to 9:00 on 2019-04-01 (Monday) in Midtown Manhattan was inputted as expected values of travelers' demand.
- The expected total travelers' demand was 4,320.
- The proportion of pre-booked requests to passenger demand, called reserved rate  $p_i$  was given as follows: p = 0.0, 0.25, 0.5, 0.75, and 1.0.
- The network parameters (e.g., travel time) were set according to Seo & Asakura (2022).

![](_page_28_Figure_6.jpeg)

![](_page_28_Figure_7.jpeg)

Generation demand Attraction demand Travelers' demand (generated from the NYC taxi data)

![](_page_28_Figure_9.jpeg)

Manhattan

Network

Time-dependent Travelers' demand (generated from the NYC taxi data)

![](_page_28_Figure_11.jpeg)

Land value (http://www.radicalcartography.ne t/index.html?manhattan-value)

![](_page_29_Picture_1.jpeg)

- Travelers' demand was aggregated with a 30 min departure time aggregation width.
   Travelers' demand scenarios was sampled from multivariate uniform distributions.
- We considered 50 samples for pre-booked requests, 50 samples for on-demand requests (AM 8:00-8:30), and 50 samples for on-demand requests (AM 8:30-9:00). The total number of scenarios was 50<sup>3</sup>=125,000.

![](_page_29_Figure_4.jpeg)

![](_page_29_Figure_5.jpeg)

![](_page_30_Picture_1.jpeg)

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![](_page_30_Figure_4.jpeg)

![](_page_30_Figure_5.jpeg)

![](_page_31_Picture_1.jpeg)

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![](_page_31_Figure_4.jpeg)

![](_page_31_Figure_5.jpeg)

![](_page_32_Picture_1.jpeg)

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![](_page_32_Figure_4.jpeg)

![](_page_32_Figure_5.jpeg)

![](_page_33_Picture_1.jpeg)

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![](_page_33_Figure_4.jpeg)

![](_page_33_Figure_5.jpeg)

## Numerical Experiments: Convergence

![](_page_34_Figure_1.jpeg)

![](_page_34_Figure_2.jpeg)

- The optimal solution can be obtained with a sufficient iterations.
- Note that to obtain the optimal solution in some cases (e.g., p = 0.75), it may take a few days, although the solutions in the cases of p = 0.0 and 1.0 converge within 24 hours.

## Numerical Experiments: Pareto solutions

![](_page_35_Figure_1.jpeg)

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- By comparing  $\rho = 3$  to  $\rho = 4$ , the Pareto-improvement by ridesharing, which is theoretically guaranteed by Theorem 1, was evident.
- In the cases of priority on strategic costs ( $\alpha = 1.0$ ), investments in infrastructures and SAV fleets are reduced, resulting in a greater variance in operating costs.

## Numerical Experiments: Infrastructure pattern

![](_page_36_Figure_1.jpeg)

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## Numerical Experiments: Flow pattern

![](_page_37_Picture_1.jpeg)

![](_page_37_Figure_2.jpeg)

## Numerical Experiments: Flow pattern

![](_page_38_Picture_1.jpeg)

![](_page_38_Figure_2.jpeg)

## Numerical Experiments: Pareto solutions

![](_page_39_Picture_1.jpeg)

![](_page_39_Figure_2.jpeg)

42000

0.25

0.50

Reserved rate

0.75

1.00

31000

0.00

0.25

0.50

0.75

![](_page_39_Figure_3.jpeg)

0.00

0.25

0.50

Reserved rate

0.75

## Numerical Experiments: Pareto solutions

![](_page_40_Figure_1.jpeg)

D

0.00

0.25

0.50

Reserved rate

0.75

0.00

0.25

0.50

Reserved rate

0.75

![](_page_40_Figure_2.jpeg)

42000

0.25

0.50

Reserved rate

0.75

31000

0.00

0.25

0.50

0.75

## Numerical Experiments: Pre-booking incentives

![](_page_41_Figure_1.jpeg)

### How to realize pre-booking SAV system?

- A system design that forces travelers to make reservations will lead to a decrease in their utility.
- To facilitate travelers to pre-book their trips, we introduce dedicated SAVs which provide only prebooked travelers with pick up and drop off services.
  - In the SAV system with dedicated SAVs, average travel time of pre-booked travelers becomes lower than on-demand counterparts.

The introduction of dedicated vehicles is a promising incentive strategy to encourage travelers to pre-book their trips.

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# Summary

![](_page_43_Picture_1.jpeg)

- This study formulates an SAV system design planning and operations under demand uncertainty as a multi-stage stochastic linear problem.
- The linearity provides us with the following advantages:
   SDDP can yield the optimal solution with guaranteed convergence.
   Applying the weighted sum method, we can obtain Pareto solutions.
- Future work focuses on **ML-based SDDP** to solve large-scale problems.
  - ML-based SDDP learns an outer approximation of the value function instead of learning the optimal policy.
  - □ Leveraging the structure of the value function (convex piecewise linear),
    - The solution is guaranteed to be optimal with sufficient iterations, and
    - The computational efficiency is better than simply learning the optimal policy.

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![](_page_44_Picture_1.jpeg)

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## **Appendix:** Constraints

SAV flow conservation

Traveler flow conservation

Cumulative departures Cumulative arrivals Demand attraction constraints

Link and node capacity constraints Vehicle capacity constraints \* To avoid the complexity of notation, let  $t_{ij} = 1$ .

![](_page_45_Picture_6.jpeg)

\* Note that accent marks are omitted because the constraints related to pre-booked and ondemand travelers are similar.

Flow Conservation Constraints

 $\sum y_{s,ij}^{k,t} \le \rho x_{ij}^t$ 

 $\sum_{j \in \mathcal{O}_i} x_{ji}^{t-1} + \delta(2, t) x_{0i}^{t-1} = \sum_{j \in \mathcal{I}_i} x_{ij}^t + \delta(T, t) x_{i0}^t$  $\sum_{i \in \mathcal{O}_i} y_{s,ji}^{k,t-1} + \delta(r,i)\delta(k,t)A_{rs}^{k,t} = \sum_{j \in \mathcal{I}_i} y_{s,ij}^{k,t} + \delta(s,i)y_{s,i0}^{k,t}$ Demand Constraints  $A_{rs}^{k,t} = A_{rs}^{k,t-1} + \delta^{k,t} \xi_{rs}^{k}$  $D_s^{k,t} = D_s^{k,t-1} + y_{s,s0}^{k,t}$  $D_s^{k,t} = \sum A_{rs}^{k,t}$ Capacity Constraints  $x_{ij}^t \leq \mu_{ij}^t$