

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: $\mathcal{T} = \{2, \dots, T\}$





Pre-booked requests

On-demand requests





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





Pre-booked requests C

On-demand requests

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



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





Pre-booked requests On-d

On-demand requests





 $\{T\}$

SAV

operation

on-demand

request



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

planning horizon



<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



Formulation: Notations



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	μ_{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	





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).

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

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

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





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 ξ^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 χ^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 (Ω, \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.



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).





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



Manhattan

Network

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



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



- 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 50³=125,000.







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Numerical Experiments: Convergence





- 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



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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



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Numerical Experiments: Flow pattern





Numerical Experiments: Flow pattern





Numerical Experiments: Pareto solutions





42000

0.25

0.50

Reserved rate

0.75

1.00

31000

0.00

0.25

0.50

0.75



0.00

0.25

0.50

Reserved rate

0.75

Numerical Experiments: Pareto solutions



D

0.00

0.25

0.50

Reserved rate

0.75

0.00

0.25

0.50

Reserved rate

0.75



42000

0.25

0.50

Reserved rate

0.75

31000

0.00

0.25

0.50

0.75

Numerical Experiments: Pre-booking incentives



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



- 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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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 $t_{ij} = 1$.



* 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 $x_{ij}^t \leq \mu_{ij}^t$