COWLES FOUNDATION FOR RESEARCH IN ECONOMICS

AT YALE UNIVERSITY

Box 2125, Yale Station
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COWLES FOUNDATION DISCUSSION PAPER NO. 172

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A DECOMPOSITION ALGORITHM FOR QUADRATIC PROGRAMMING

Andrew Whinston

June 25, 1964
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by

Andrew Whinston

Introduction

In this paper we consider a direct extension of the Dantzig and Wolfe [4] decomposition algorithm for linear programming to the case of a quadratic criterion function. First presented by Dantzig [2] and further elaborated by van de Panne and Whinston [6], the quadratic algorithm we shall use is itself a direct extension of the simplex method. Thus, if the quadratic part of the criterion function is zero, i.e., if we, in fact, have a linear criterion function, the decomposition algorithm is reduced to the one given by Dantzig and Wolfe.

In their paper, Dantzig and Wolfe [3] suggested an extension of their algorithm to the case of a nonlinear convex criterion function. This is discussed in more detail in Dantzig [1]. Their suggestion differs from the method being presented here in several ways. First, in the quadratic case our method leads to a finite procedure while their method yields an infinite convergent algorithm. Second, in the solution of the subproblems we must solve linear programming problems while their method requires the solution of the same number of quadratic programming problems. Finally, the method discussed here does not require that

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* This paper is an outgrowth of some joint work with Mr. C. E. van de Panne as reported in [6]. I am, of course, very much indebted to him. My colleague Menahem Yaari made several very helpful suggestions. I remain responsible for all possible errors.

** Research undertaken by the Cowles Commission for Research in Economics under Task NR 047-006 with the Office of Naval Research.
the criterion function be separable. Since extension beyond the quadratic case would not possess the characteristics indicated above, we present the argument for the quadratic case only.

Decomposition algorithms arise naturally where the constraint matrix has a block diagonal structure. In this case a large problem may be broken down into a collection of smaller ones which are then tied together by a series of interconnecting constraints. This type of approach may have some utility where the number of constraints in the original problem is very large.

One may also interpret the decomposition algorithm as a decentralized approach to solving a large decision making problem. Each of the smaller subproblems can be thought of as a division of a firm, while a central coordinating staff is responsible for the coupling conditions. The type of information exchange suggested by the algorithm could be considered as one method of organizing a decentralized decision making system.

The Algorithm

In presenting the algorithm we shall attempt to illustrate the basic differences between this case and the linear programming problem. With this in mind, we consider only two subsectors in the following problem

\[
\begin{align*}
\text{Max } f(x_1, x_2) &= p_1^i x_1 + p_2^i x_2 - \frac{1}{2}[x_1^i x_2^i] \begin{bmatrix} c_{11} & c_{12} \\ c_{21} & c_{22} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \end{bmatrix} \\
&= p_1^i x_1 + p_2^i x_2 - \frac{1}{2} x_1^i c_{11} x_1 - x_1^i c_{12} x_2 - \frac{1}{2} x_2^i c_{22} x_2
\end{align*}
\]
(1) \[ A_1 x_1 + A_2 x_2 = b_0 \]
(2) \[ B_1 x_1 \leq b_1 \]
(3) \[ B_2 x_2 \leq b_2 \]
\[ x_1 \geq 0 \quad x_2 \geq 0 \]
\[ x_1' = (x_1^1 \ldots x_1^{q_1}) \quad x_2' = (x_2^1 \ldots x_2^{q_2}) \quad b_0' = (b_0^1 \ldots b_0^q) \]
\[ p_1' = (p_1^1 \ldots p_1^{q_1}) \quad p_2' = (p_2^1 \ldots p_2^{q_2}) \]

The matrix \[ \begin{bmatrix} C_{11} & C_{12} \\ C_{21} & C_{22} \end{bmatrix} \] is symmetric positive semidefinite matrix of dimension \((q_1 + q_2)\). We shall assume that the convex sets described by the inequalities (2) and (3) are each bounded, in order to simplify the exposition.  

Let \( \{ x_{k1} \} \) be the set of extreme points for the constraints of (2), and \( \{ x_{k2} \} \) the set of extreme points for the constraints of (3). Then any point \( x_1 \) satisfying the constraints of (2) can be written as

\[ x_1 = \sum_{k=1}^{k_1} \rho_{k1} x_{k1} \]
\[ \sum \rho_{k1} = 1 \]
\[ \rho_{k1} \geq 0 \]

Correspondingly we have for (3)

\[ x_2 = \sum_{k=1}^{k_2} \rho_{k2} x_{k2} \]
\[ \sum \rho_{k2} = 1 \]
\[ \rho_{k2} \geq 0 \]
Substituting (4) and (5) into the programming problem we have the equivalent problem

\[
\begin{align*}
\max & \quad p_1 \sum_{kl} p_{kl} x_{kl} + p_2 \sum_{k2} p_{k2} x_{k2} - \frac{1}{2} \sum_{kl} c_{11} \sum_{kl} x_{kl} \\
& - \sum_{kl} x_{kl} c_{12} \sum_{k2} x_{k2} - \frac{1}{2} \sum_{k2} c_{22} \sum_{k2} x_{k2} \\
\end{align*}
\]

(6) \quad A_1 \sum_{kl} x_{kl} + A_2 \sum_{k2} x_{k2} = b_0

(7) \quad \sum_{kl} p_{kl} = 1 \quad \sum_{k2} p_{k2} = 1

(8) \quad p_{kl} \geq 0 \quad i = 1, 2 \quad \text{for all } k.

The Kuhn-Tucker [5] conditions for this problem are (6), (7), (8) and

(9) \quad p_1 x_{kl} - x_{kl} c_{11} \sum_{kl} x_{kl} - x_{kl} c_{12} \sum_{k2} x_{k2} \\
\quad - v' A_1 x_{kl} - \eta_1 + u_{kl} = 0

(10) \quad u_{kl} = 0

(11) \quad u_{kl} \geq 0,

(12) \quad p_2 x_{k2} - x_{k2} c_{22} \sum_{k2} x_{k2} - x_{k2} c_{21} \sum_{kl} x_{kl} \\
\quad - v' A_2 x_{k2} - \eta_2 + u_{k2} = 0

(13) \quad u_{k2} = 0

(14) \quad u_{k2} \geq 0 \quad \text{for all } k.

We must show that the transformed problem is still a concave programming problem. We write
\[ f(x_1, x_2) = p_1 x_1 + p_2 x_2 - [x_1', x_2'] \begin{bmatrix} c_{11} & c_{12} \\ c_{21} & c_{22} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \end{bmatrix} \]

and show the following:

**Theorem:**

The criterion function \( f(\Sigma_{k1} x_{k1}, \Sigma_{k2} x_{k2}) \) is a concave function of \((\rho_1, \rho_2) = (\rho_{11} \cdots \rho_{k1}, \rho_{12} \cdots \rho_{k2})\).

**Proof**

Since \( f(x_1, x_2) \) is concave we have

\[ f(\lambda \tilde{x} + (1-\lambda) \hat{x}) \geq \lambda f(\tilde{x}) + (1-\lambda) f(\hat{x}) \]  

(15) \( \tilde{x} = (\tilde{x}_1, \tilde{x}_2) \) and \( \hat{x} = (\hat{x}_1, \hat{x}_2) \) are given points. We have

\[ \tilde{x} = T \rho \]
\[ \hat{x} = T \hat{\rho} \]

where \( T \) is a linear transformation. Define

(16) \[ g(\rho) = f(T \rho) \]

Then

(17) \[ g(\lambda \tilde{\rho} + (1-\lambda) \hat{\rho}) = \]

(18) \[ f(T(\lambda \tilde{\rho} + (1-\lambda) \hat{\rho})) = \]

(19) \[ f(\lambda T \tilde{\rho} + (1-\lambda) T \hat{\rho}) \geq \]

(20) \[ \lambda f(T \tilde{\rho}) + (1-\lambda) f(T \hat{\rho}) = \lambda g(\tilde{\rho}) + (1-\lambda) g(\hat{\rho}) \]

\[ q.e.d. \]
Description of the Algorithm

In this section we shall describe in some detail the working of the algorithm. After certain preliminary definitions we shall give a description of the algorithm in terms of the quadratic programming tableau. Then various aspects of the algorithm will be explored in some detail.

Dantzig and Wolfe have pointed out that an important aspect of the algorithm is the sequential generation of the extreme points and resulting columns of the tableau as they are required. To initiate the algorithm, we must have $l + 2 \rho_{ki}$ variables, where $l$ is the dimension of $b_0$, which are positive and satisfy (6), (7) and (8). We also have $2 \gamma$ variables and $\eta_1$ and $\eta_2$ in the basis. Note that these variables appear in every tableau since their values are unconstrained. Finally, we will have $m + n - l - 2 \rho_{ki}$ in the basis corresponding to $\rho_{ki}$ not in the basis. In general, the initial set of $u_{ki}$ in the basis will not satisfy (11) and (14), but will satisfy (10) and (13). When conditions (10) and (13) are satisfied, then we say that the tableau is in standard form; otherwise, it is a nonstandard tableau. The initial solution constitutes a feasible, standard form tableau which is not optimal i.e., satisfies conditions (6), (7), (8), (9), (10), (12) and (13) but not necessarily (11) and (14). A feasible solution is one that satisfies (6), (7), and (8). The algorithm proceeds by moving from a feasible solution which is either in standard or nonstandard form to an optimal solution, i.e., a tableau also satisfying (11) and (14) besides the conditions (6), (7), (8), (9), (10), (12) and (13).

Let $\{z_i\}$ be the values of the set of basic variables which are permitted to leave the basis in a particular iteration and let $\{l_{i,j}\}$ be the
### Set-up Tableau for the Algorithm *

<table>
<thead>
<tr>
<th>Basic variables</th>
<th>Value of basic variables</th>
<th>$u_1$</th>
<th>$u_2$</th>
<th>$v$</th>
<th>$\rho_1$</th>
<th>$\rho_2$</th>
<th>$\eta_1$</th>
<th>$\eta_2$</th>
<th>$y_1$</th>
<th>$y_2$</th>
<th>$y_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$u'_1$</td>
<td>$-p'_1$</td>
<td>1</td>
<td>0</td>
<td>$-A'_1$</td>
<td>$-c'_{11}$</td>
<td>$-c'_{12}$</td>
<td>$-\xi'_1$</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$u'_2$</td>
<td>$-p'_2$</td>
<td>0</td>
<td>1</td>
<td>$-A'_2$</td>
<td>$-c'_{21}$</td>
<td>$-c'_{22}$</td>
<td>0</td>
<td>$-\xi'_2$</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$y'_1$</td>
<td>$b'_o$</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$A'_1$</td>
<td>$A'_2$</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>$y'_2$</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$\xi'_1$</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$y'_3$</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$\xi'_2$</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

$u_1 = (u_{k1}, \ldots, u_{k_1,1})$

$u_2 = (u_{k2}, \ldots, u_{k_2,2})$

$v = (v_1, \ldots, v_{\xi})$

$A_1 = (A_1 x_{11}, \ldots, A_1 x_{k_1,1})$

$P_1 = (p_1 x_{11}, \ldots, p_1 x_{k_1,1})$

$A_2 = (A_2 x_{12}, \ldots, A_2 x_{k_2,2})$

$P_2 = (p_2 x_{21}, \ldots, p_2 x_{k_2,2})$

$\xi_1 = (1, \ldots, 1_{\xi_1})$

$\xi_2 = (1, \ldots, 1_{\xi_2})$

*We add the artificial variables $y = (y_1', y_2', y_3')$ to the constraints in order to write the tableau in this form.

$I$ refers to an identity matrix of appropriate dimension.
\[ \bar{c}_{11} = \begin{bmatrix} x_{11} c_{11} x_{11} & \cdots & x_{11} c_{11} x_{k_1} \\ \vdots & \ddots & \vdots \\ x_{k_1}^t c_{11} x_{11} & \cdots & x_{k_1}^t c_{11} x_{k_1} \end{bmatrix} \]

\[ \bar{c}_{12} = \begin{bmatrix} x_{11} c_{12} x_{12} & \cdots & x_{11} c_{12} x_{k_2} \\ \vdots & \ddots & \vdots \\ x_{k_1}^t c_{12} x_{12} & \cdots & x_{k_1}^t c_{12} x_{k_2} \end{bmatrix} \]

\[ \bar{c}_{21} = \begin{bmatrix} x_{12} c_{21} x_{11} & \cdots & x_{12} c_{21} x_{k_1} \\ \vdots & \ddots & \vdots \\ x_{k_2}^t c_{21} x_{11} & \cdots & x_{k_2}^t c_{21} x_{k_1} \end{bmatrix} \]

\[ \bar{c}_{22} = \begin{bmatrix} x_{12} c_{22} x_{12} & \cdots & x_{12} c_{22} x_{k_2} \\ \vdots & \ddots & \vdots \\ x_{k_2}^t c_{22} x_{12} & \cdots & x_{k_2}^t c_{22} x_{k_2} \end{bmatrix} \]
elements in the $j^{th}$ column of the tableau which is the column of the variable to come in the basis. Then the variable to leave the basis is the one whose value $z_i$ is such that

$$\min \left\{ \frac{z_i}{l_{ij}} \mid \frac{z_i}{l_{ij}} \geq 0, \quad l_{ij} \neq 0 \right\}$$

Starting from a basic feasible solution which is not necessarily optimal, the algorithm proceeds in the following manner:

1. Determine the most negative $u_{kl}$ variable. If there are none the algorithm is terminated.

2. Introduce into the basis the complimentary $\rho_{kl}$ to the $u_{kl}$ chosen in Step 1. The variable to be removed from the basis is chosen from among the $\rho_{kl}$ variables in the basis and the $u_{kl}$ variable designated in Step one. If the variable designated in Step 1 is removed return to Step 1; if not, go to Step 3.

3. Introduce the $u_{kl}$ variable corresponding to the $\rho_{kl}$ variable which was just taken out of the basis. The variable to be eliminated from the basis is chosen from the $\rho_{kl}$ in the basis and the variable designated in Step 1. If a $\rho_{kl}$ is eliminated repeat Step 3, if not go back to Step 1.

We now wish to show that given the values of the $\ell + 2$ $\rho_{kl}$ variables in the initial basis we may determine $v = (v_1 \ldots v_\ell)$ and $\eta_1$ and $\eta_2$. From the tableau we have the following $\ell + 2$ equations involving $v$, $\eta_1$, $\eta_2$, and $\rho_{kl}$ which are in the basis:
(21) \[ P_1 x_{kl} = v' A_1 x_{kl} + \sum_{j \in J_1} p_{j1} x_{j1} c_{11} x_{kl} + \sum_{j \in J_2} x_{kl} c_{12} p_{j2} x_{j2} + \eta_1 \]

(22) \[ P_2 x_{k2} = v' A_2 x_{k2} + \sum_{j \in J_1} x_{k2} c_{21} p_{j1} x_{j1} + \sum_{j \in J_2} x_{k2} c_{22} p_{j2} x_{j2} + \eta_2 \]

where \[ J_1 = \{ j | p_{j1} > 0 \} \] and \[ J_2 = \{ j | p_{j2} > 0 \} \]

Each of the equations corresponds to a particular \( p_{kl} > 0 \) and consequently there are \( l + 2 \) equations. The set of extreme points indexed \( \{ x_{kl} \} \) which appears in these equations is associated with \( p_{kl} > 0 \). As a result these points are known. The extreme points indexed \( \{ x_{k2} \} \) are associated in the tableau with columns of \( p_{k2} > 0 \) and again are known. Thus we have \( l + 2 \) equations in \( l + 2 \) unknowns \( v, v', \eta_1, \eta_2 \). In principle, we may solve for \( v, v', \eta_1, \eta_2 \).

We now wish to discuss how Step 1 in the algorithm is carried out. At some stage in order to determine the most negative \( u_{kl} \) we have the following equations for \( u_{kl} \) and \( u_{k2} \):

(23) \[ u_{kl} = -P_1 x_{kl} + x_{kl} c_{11} \sum_{k} x_{kl} c_{12} \sum_{k} x_{k2} c_{22} x_{k2} + v' A_1 x_{kl} + \eta_1 \]

(24) \[ u_{k2} = -P_2 x_{k2} + x_{k2} c_{22} \sum_{k} x_{k2} c_{21} \sum_{k} x_{kl} c_{11} x_{kl} + v' A_2 x_{k2} + \eta_2 \]

According to Step 1 we are to determine that particular \( u_{kl} \) which is minimum. This is equivalent to minimizing the expression for \( u_{kl} \) over all extreme points \( \{ x_{kl} \} \). In order to express the problem in a more interpretable fashion we may take the maximization of the negative expression for \( u_{kl} \). Thus, we have
\begin{align}
\text{(25)} \quad & \max \ p_1 x_1 - x_1^c x_{12} \sum_1 \ x_{12} - v^t A_1 x_1 - \eta_1 \\
& \quad \text{s.t.} \quad b_1 x_1 \leq b_1 \\
& \quad \ x_1 \geq 0 \\
\text{(26)} \quad & \max \ p_2 x_2 - x_2^c x_{22} \sum_2 \ x_{22} - v^t A_2 x_2 - \eta_2 \\
& \quad \text{s.t.} \quad b_2 x_2 \leq b_2 \\
& \quad \ x_2 \geq 0
\end{align}

Both maximization problems are linear programming problems and therefore the solution is at an extreme point. From these solutions we obtain both the minimum \( u_{kl} \) value and its associated extreme point.

In the course of the algorithm we must be able to determine the current basis values of \( \rho_{kl}, v_1, \eta_1 \) and the particular \( u_{kl} \) currently designated by Step 1. In a certain iteration we refer to the \( u_{kl} \) designated in the preceding Step 1 as \( u_{kl}^* \). Of course as the algorithm proceeds the particular variable designated as \( u_{kl}^* \) will vary.

At any iteration we are either introducing a \( \rho_{kl}^* \) variable complimentary to \( u_{kl}^* \) designated by Step 1 or some \( u_{kl} \) variable. If we can show that at any iteration we can determine the tableau elements of the particular incoming column associated with \( \rho_{kl}, v_1, \eta_1 \) and \( u_{kl}^* \) in the basis, we then will know the values of these basic variables throughout the algorithm.

Consider the system of equations (6), (7), (9) and (12). Associated with each variable is a column of coefficients. However, during the course of the
algorithm not all coefficients will be known. The algorithm, as represented by the rules 1-3, can be viewed as a procedure for moving from one basic solution to (6), (7), (9) and (12) to another one via a simplex-type pivot. Each basic solution is successively an improvement in terms of certain criteria. What we wish to show is, that, in general, we need only be concerned with a smaller basis matrix -- a submatrix of the larger basis matrix where all the coefficients are known.

We first consider the case where we are introducing \( \rho^* \) into the basis. By determining the appropriate tableau elements for \( \rho^* \), we may determine which variable will leave the basis among the \( \rho_{kl} > 0 \) and the appropriate \( u^*_{kl} < 0 \). Let \( P_{kl} \) be the column associated with \( \rho^* \). Let \( B \) be the basis matrix where we partition \( B = (B^1, B^2) \). \( B^1 \) contains the columns of \( u_{kl} \) in the basis except \( u^*_{kl} \) while \( B^2 \) consists of the columns associated with \( \rho_{kl}, \nu_i, \eta_i \) and \( u^*_{kl} \) in the basis. Thus we have

\[
(B^1, B^2) \begin{pmatrix} \lambda_1 \\ \lambda_2 \end{pmatrix} = P_{kl}
\]

where \( \lambda' = (\lambda_1, \lambda_2) \) is the vector of tableau elements. By permutation of the rows of \( (B^1, B^2) = B \) and \( P_{kl} \), we write the problem as

\[
\begin{pmatrix} B_{11} & B_{12} \\ 0 & B_{22} \end{pmatrix} \begin{pmatrix} \lambda_1 \\ \lambda_2 \end{pmatrix} = \begin{pmatrix} P_{k11} \\ P_{k12} \end{pmatrix}
\]

where \( B_{11} = I \). The dimension of \( I \) is equal to the number of columns in \( B^1 \).
Note also that $B_{22}$ is a square submatrix. Next we wish to show that all the coefficients in $B_{22}$ are known. The last $l+2$ rows of $B_{22}$ correspond to the constraints (6) and (7) and since the columns correspond to $\rho_{ki}$ variables in the basis the coefficients are known. The remaining rows of $B_{22}$ consist of equations drawn from (9) and (12) where the $u_{ki}$ variable associated with each constraint has been removed from the basis. Therefore the extreme point $x_{kl}$ associated with the complimentary variable $\rho_{ki}$ has been determined. This, combined with the fact that the columns are associated with variables in the basis, establishes that all coefficients are known. A similar argument holds for $p_{kl2}$. The matrix $B$ must be nonsingular since it is obtainable by a series of simplex pivot operations, therefore the matrix $B_{22}$ is also nonsingular. The system of equations

$$B_{22} \lambda_2 = p_{kl2}$$

is solvable for $\lambda_2 = B_{22}^{-1} p_{kl2}$. The vector $\lambda_2$ contains the needed tableau elements.

With this result we may determine the tableau elements associated with a $\rho_{ki}$ which is to come into the basis. If some $u_{kl}$ is to be introduced into the basis according to Step 3 then with a similar argument we may show that the required tableau elements can be generated.

We have shown that the various steps of the algorithm can be carried out even though not all extreme points are known at every step. Each time a new $\rho_{kl}$ variable is brought into the basis, as a result of Step 2, the criterion function increases. Steps 2 and 3, which involve nonstandard tableaux, do not decrease the value of the criterion function and after a finite number of iterations lead back to a standard tableau where Step 1 is again applied. We then have a series of standard tableaux each one associated with a higher value of the criterion function.
Therefore, no standard tableau can ever be repeated. Since the number of extreme points is finite there can be only a finite number of standard tableaux and consequently the algorithm is finite. 7

Example

With the presentation of a specific example we will illustrate the workings of the algorithm. We will also indicate the approach needed in the computational aspects of the method.

Consider the following problem:

\[
\begin{align*}
\text{Max} & \quad 6x_1 - 2x_1^2 + 2x_1 x_2 - 2x_2^2 \\
\text{s.t.} & \quad x_1 + x_2 \leq 2 \\
& \quad 0 \leq x_1 \leq 1 \\
& \quad 0 \leq x_2 \leq 1
\end{align*}
\] (27) (28) (29)

where (27) is the interconnecting constraint, and (28) and (29) are the sub-problems. To simplify the writing and presentation of the example we will take into consideration the fact that each of the sets represented by (28) and (29) contains two extreme points. The method developed above, however, does not depend on this information being available.

Let

\[\{x_{11}, x_{21}\}\]

be the set of extreme points for the convex set represented by (28) where

\[(30) \quad x_1 = \rho_{11} x_{11} + \rho_{21} x_{21}\]
\[ \rho_{11} + \rho_{21} = 1 \]
\[ \rho_{11}, \rho_{21} \geq 0 \]

and for (29) we have
\[ [x_{12}, x_{22}] \text{ and} \]
\[ x_2 = \rho_{12} x_{12} + \rho_{22} x_{22} \]

(31) \[ \rho_{12} + \rho_{22} = 1 \]
\[ \rho_{12} \geq 0, \rho_{22} \geq 0 \]

We have the transformed problem
\[
\text{Max } 6 (\rho_{11} x_{11} + \rho_{21} x_{21}) - 2 (\rho_{11} x_{11} + \rho_{21} x_{21})^2 \\
+ 2 (\rho_{11} x_{11} + \rho_{21} x_{21}) (\rho_{12} x_{12} + \rho_{22} x_{22}) \\
- 2 (\rho_{12} x_{12} + \rho_{22} x_{22})^2
\]

(32) \[ \rho_{11} x_{11} + \rho_{21} x_{21} + \rho_{12} x_{12} + \rho_{22} x_{22} \leq 2 \]

(33) \[ \rho_{11} + \rho_{21} = 1 \]

(34) \[ \rho_{12} + \rho_{22} = 1 \]
\[ \rho_{11}, \rho_{21}, \rho_{12}, \rho_{22} \geq 0 \]

The Kuhn-Tucker conditions are

(35) \[ 6 x_{k1} = x_{k1} \; [ 4 \rho_{11} x_{11} + x_{k1} \; [ 4 \rho_{21} x_{21} + x_{k1} - 2 \rho_{12} x_{12} \\
+ x_{k1} - 2 \rho_{22} x_{22} + \nu x_{k1} + \eta_1 - \eta_{k1} ] \]

for each \( k = 1, 2 \)
(36) \[ 0 = x_{k2} + \frac{1}{4} \rho_{12} x_{12} + x_{k2} + \frac{1}{4} \rho_{22} x_{22} + x_{k2} - 2 \rho_{11} x_{11} + x_{k2} - \frac{2}{2} \rho_{21} x_{21} + \nu x_{k2} + \eta_2 - u_{k2} \]
for \( k = 1, 2 \)

(37) \[ \rho_{11} x_{11} + \rho_{21} x_{21} + \rho_{12} x_{12} + \rho_{22} x_{22} + y = 2 \]

(38) \[ \rho_{11} + \rho_{21} = 1 \]

(39) \[ \rho_{12} + \rho_{22} = 1 \]

\( \rho_{11}, \rho_{21}, \rho_{12}, \rho_{22} \geq 0 \)

\( y \geq 0, \nu \geq 0 \)

\( u_{kl} \rho_{kl} = 0, y \nu = 0 \)

\( u_{kl} > 0 \quad k = 1, 2 \)

\( i = 1, 2 \)

where \( y \) is a slack variable.

To initiate the algorithm we assume that the extreme points \( x_{11} = 0 \) and \( x_{12} = 0 \) are known. Setting \( \rho_{11} = 1, \rho_{12} = 1 \) and \( y = 2 \) gives us a basic feasible solution to equations (32), (33) and (34). Since we set \( u_{11} = 0 \) and \( u_{12} = 0 \) we obtain from equations (35) and (36) two conditions to determine \( \eta_1 \) and \( \eta_2 \). We thus have the following system of equations:

\( (40) \)

\[ 0 \rho_{11} + \rho_{12} - \eta_1 + \rho_{21} + \rho_{22} + \nu y = 0 \]

\[ 0 \rho_{11} + \rho_{12} + \rho_{11} + \eta_1 - \eta_2 + \nu y = 0 \]

\[ 0 \rho_{11} + \rho_{12} + \rho_{11} + \rho_{21} + \eta_1 + \eta_2 + \nu y = 2 \]

\[ l \rho_{11} + \rho_{12} + \rho_{11} + \rho_{21} + \eta_1 + \eta_2 + \nu y = 1 \]

\[ 0 \rho_{11} + l \rho_{12} + \rho_{11} + \rho_{21} + \eta_1 + \eta_2 + \nu y = 1 \]
The matrix of coefficients is

\[
B^0 = \begin{bmatrix}
0 & 0 & -1 & 0 & 0 \\
0 & 0 & 0 & -1 & 0 \\
0 & 0 & 0 & 0 & 1 \\
1 & 0 & 0 & 0 & 0 \\
0 & 1 & 0 & 0 & 0
\end{bmatrix}
\]

and the inverse is

\[
(B^0)^{-1} = \begin{bmatrix}
0 & 0 & 0 & 1 & 0 \\
0 & 0 & 0 & 0 & 1 \\
-1 & 0 & 0 & 0 & 0 \\
0 & -1 & 0 & 0 & 0 \\
0 & 0 & 1 & 0 & 0
\end{bmatrix}
\]

We denote by \( b_o = \begin{pmatrix} 0 \\ 0 \\ 2 \\ 1 \\ 1 \end{pmatrix} \) as the column of constants associated with the initial system of equations. \((B^0)^{-1} b_o\) gives us the values of the current set of basic variables. In the present case we have

\[
\rho_{11} = 1 \quad \rho_{12} = 1 \quad \eta_1 = 0 \quad \eta_2 = 0 \quad y = 2
\]

These values are used in problems (25) and (26) to determine the next \( \rho_{ki} \) to enter the basis. Inserting the present solution, we have the following, in problem (25)

(41) \[
\text{Max } 6 x_1 \\
x_1 \leq 1
\]

and (26)

(42) \[
\text{Max } 0 x_2 \\
x_2 \leq 1
\]
Solving both programming problems the overall maximum is attained by problem (41) at the extreme point $x_1^* = 1$. We designate the latter point as $x_{21}$. Accordingly $\rho_{21}$ enters the basis. Before introducing $\rho_{21}$ into the basis the condition from (35) containing $u_{21}$ must be adjoined to (40). The added equation is:

$$u_{21} + 0 \rho_{11} + 0 \rho_{12} - \eta_1 + 0 \eta_2 + 0y = -6$$

Denote by $B^0$ as the augmented matrix of coefficients for the larger collection of constraints. We have

$$B^0 = \begin{bmatrix} 1 & h \\ [0] & B^0 \end{bmatrix}$$

where $[0]$ is a vector of zeros and

$$h = [0 \ 0 \ -1 \ 0 \ 0]$$

To obtain $(B^0)^{-1}$ note that

$$(B^0)^{-1} = \begin{bmatrix} 1 & -h \ B^0 \ -1 \\ [0] & (B^0)^{-1} \end{bmatrix} = \begin{bmatrix} 1 & -1 & 0 & 0 & 0 & 0 \\ 0 & 0 & 0 & 0 & 1 \\ 0 & -1 & 0 & 0 & 0 \\ 0 & 0 & -1 & 0 & 0 \\ 0 & 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 0 & 0 \end{bmatrix}$$

In order to determine the relevant tableau elements associated with the activity $\rho_{21}$ we have
\((E^0)^{-1} \begin{pmatrix} -4 \\ 0 \\ 0 \\ 1 \\ 1 \\ 0 \end{pmatrix} = \begin{pmatrix} -4 \\ 1 \\ 0 \\ 0 \\ 0 \\ 1 \end{pmatrix}\)

This may be summarized in the following abbreviated tableau:

<table>
<thead>
<tr>
<th>Active Basic Variables</th>
<th>Value of Active Basic variables</th>
<th>Tableau values for (\rho_{21})</th>
</tr>
</thead>
<tbody>
<tr>
<td>(u_{21})</td>
<td>-6</td>
<td>-4</td>
</tr>
<tr>
<td>(\rho_{11})</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>(\rho_{12})</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>(\eta_1)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(\eta_2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(y_1)</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Taking \(\min \left\{ \frac{z_i}{\ell_{ij}} \mid \frac{z_i}{\ell_{ij}} \geq 0, \ell_{ij} \neq 0 \right\}\) we have the minimum of \(\left\{ \frac{-6}{-4}, \frac{1}{1}, \frac{2}{1} \right\}\). Since the minimum is achieved at \(\frac{1}{1}\) we choose \(\rho_{11}\) to leave the basis.

In order to continue the algorithm we must determine the inverse of the new basis where the activity \(\rho_{21}\) replaces \(\rho_{11}\). To do this we use the well known theory of basis transformation and construct the matrix \(E_2^0\). \(E_2^0\) is an identity matrix except that the second column consists of elements derived from the tableau representation of \(\rho_{21}\). The matrix \(E_2^0\) is:

\[
E_2^0 = \begin{bmatrix}
1 & +4 & 0 & 0 & 0 & 0 \\
0 & 1 & 0 & 0 & 0 & 0 \\
0 & 0 & 1 & 0 & 0 & 0 \\
0 & 0 & 0 & 1 & 0 & 0 \\
0 & 0 & 0 & 0 & 1 & 0 \\
0 & 0 & 0 & 0 & 0 & 1
\end{bmatrix}
\]
\[ E_2^0 (\hat{B}^0)^{-1} = \begin{bmatrix} 1 & -1 & 0 & 0 & +1 & 0 \\ 0 & 0 & 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 0 & 0 & +1 \\ 0 & 1 & 0 & 0 & 0 & 0 \\ 0 & 0 & -1 & 0 & 0 & 0 \\ 0 & 0 & 0 & +1 & -1 & 0 \end{bmatrix} = (B^1)^{-1} \]

To determine the values of the current active basic variables we have

\[
(B^1)^{-1} \begin{pmatrix} -6 \\ 0 \\ 2 \\ 1 \\ 1 \end{pmatrix} = \begin{pmatrix} -2 \\ 1 \\ 0 \\ 0 \end{pmatrix}
\]

Thus we have \( u_{21} = -2 \), \( \rho_{21} = 1 \), \( \rho_{12} = 1 \), \( \eta_1 = 0 \), \( \eta_2 = 0 \) and \( y = 1 \). According to Step 3, \( u_{11} \) is introduced into the basis to replace \( \rho_{11} \). The tableau elements for \( u_{11} \) are determined from

\[
(B^1)^{-1} \begin{pmatrix} 0 \\ 1 \\ 0 \\ 0 \\ 0 \end{pmatrix} = \begin{pmatrix} -1 \\ 0 \\ 0 \\ 0 \end{pmatrix}
\]

Using the earlier representation we have:

<table>
<thead>
<tr>
<th>Active Basic Variables</th>
<th>Value of Active Basic variables</th>
<th>Tableau values for ( u_{11} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>( u_{21} )</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>( \rho_{21} )</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>( \rho_{12} )</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>( \eta_1 )</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>( \eta_2 )</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>( y )</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

It can be seen immediately that \( u_{11} \) replaces \( u_{21} \) in the basis, and we return
to Step 1 in the algorithm. Next we compute the elementary matrix

$$E_1^1 = \begin{bmatrix} -1 & 0 & 0 & 0 & 0 & 0 \\ 0 & 1 & 0 & 0 & 0 & 0 \\ 0 & 0 & 1 & 0 & 0 & 0 \\ -1 & 0 & 0 & 1 & 0 & 0 \\ 0 & 0 & 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 0 & 0 & 1 \end{bmatrix}$$

$$(B^2)^{-1} = E_1^2 (B^1)^{-1}$$

and

$$(B^2)^{-1} = \begin{bmatrix} -1 & +1 & 0 & 0 & -4 & 0 \\ 0 & 0 & 0 & 0 & 1 & 0 \\ 0 & 0 & 0 & 0 & 0 & 1 \\ -1 & 0 & 0 & 0 & -4 & 0 \\ 0 & 0 & -1 & 0 & 0 & 0 \\ 0 & 0 & 0 & +1 & -1 & 0 \end{bmatrix}$$

To compute the current values of the active basic variables we form the expression:

$$(B^2)^{-1} b^0$$

where

$$b^0 = \begin{pmatrix} -6 \\ 0 \\ 0 \\ 2 \\ 1 \end{pmatrix}$$

This gives us $u_{11} = +2$, $u_{21} = +1$, $u_{12} = +1$, $u_{1} = +2$, $u_{2} = 0$ and $y = 1$.

Substituting there values into problem (25) we have

\[(43) \quad \text{Max } 2 \ x_1 = 2 \]
$$x_1 \leq 2$$
$$x_1 \geq 0$$

and into problem (26) we have

\[(44) \quad \text{Max } 2 \ x_2 \]
$$x_2 \leq 1$$
$$x_2 \geq 0$$
The overall maximum is achieved by problem (44) at $x_2 = 1$. We let $x_{22} = 1$ be that extreme point associated with the variable $\rho_{22}$. According to Step 2 the variable $\rho_{22}$ is chosen to come into the basis. Next we adjoin to the set of constraints the equation from (36) containing $u_{22}$. This constraint is of the form

$$u_{22} + 2 \rho_{21} + 0 \rho_{12} + 0 \eta_1 = \eta_2 + \eta y = 0$$

Therefore

$$h = [0, 2, 0, 0, -1, 0]$$

and

$$-h (B^2)^{-1} = (0, 0, -1, 0, -2, 0)$$

The current augmented inverse is

$$(B^2)^{-1} = \begin{bmatrix}
1 & 0 & 0 & -1 & 0 & -2 & 0 \\
0 & 0 & 0 & (B^2)^{-1} \\
0 & 0 & 0 & 0 \\
0 & 0 & 0 & 0
\end{bmatrix}$$

To determine the tableau elements for $\rho_{22}$ we have

$$(B^2)^{-1} \begin{bmatrix}
-4 \\
+2 \\
0 \\
0 \\
1 \\
0 \\
1
\end{bmatrix} = \begin{bmatrix}
-4 \\
-2 \\
0 \\
1 \\
-2 \\
0 \\
+1
\end{bmatrix}$$

and to determine the values of the current solution we have
\[(P^2)^{-1} \begin{pmatrix} 0 \\ -6 \\ 0 \\ 2 \\ 1 \\ 1 \end{pmatrix} = \begin{pmatrix} -2 \\ +2 \\ 1 \\ 1 \\ 0 \\ 1 \end{pmatrix}\]

Summarizing the information we have the following tableau:

<table>
<thead>
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<th>Active Basic Variables</th>
<th>Value of Active Basic variables</th>
<th>Tableau values for ( \rho_{22} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>( u_{22} )</td>
<td>-2</td>
<td>-4</td>
</tr>
<tr>
<td>( u_{11} )</td>
<td>+2</td>
<td>-2</td>
</tr>
<tr>
<td>( \rho_{21} )</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>( \rho_{12} )</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>( \eta_1 )</td>
<td>2</td>
<td>-2</td>
</tr>
<tr>
<td>( \eta_2 )</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>( y )</td>
<td>1</td>
<td>+1</td>
</tr>
</tbody>
</table>

Clearly, \( u_{22} \) leaves the basis and again we return to Step 1. We obtain a new inverse which contains the column of coefficients from \( \rho_{22} \) replacing the coefficients associated with \( u_{22} \). This new solution is

\[ \rho_{22} = \frac{1}{2}, \quad \rho_{21} = 1, \quad \rho_{12} = \frac{1}{2}, \quad y = \frac{1}{2}, \quad \eta_1 = 3 \text{ and } \eta_2 = 0. \]

Substituting these values into problems (25) and (26) we have

Max \( 2x_1 - 3 \)

\[ x_1 \leq 1 \]

\[ x_1 \geq 0 \]

and

Max 0

\[ x_2 \leq 1 \]

\[ x_2 \geq 0 \]
Both problems have nonpositive solutions which indicate that the minimum over all \( u_k \) variables is nonnegative. Therefore we are at an optimal solution. In terms of the original variables the solution is

\[
\begin{align*}
x_1 &= 1(1) = 1 \\
x_2 &= \frac{1}{2} (0) + \frac{1}{2} (1) = \frac{1}{2}
\end{align*}
\]

Concluding Remarks

This paper has presented one possible approach to solving a convex quadratic programming problem where the number of constraints is large, but of a special structure. In a problem with a large number of constraints a direct approach may be impossible since the size of the initial basis matrix would cause difficulty in determining its inverse. While in the present algorithm the dimensionality may increase one may always obtain, at worst, approximate solutions.