**Problem 5.5:** *Helicopter Service* Wolfe Helicopters is to begin flying passengers from a helicopter pad in Berkeley, California to the large airports in the area, Oakland and San Francisco. Wolfe will operate two models – the HG30 and the WH10-. The characteristics for each aircraft are given in the following table.

	Estimated Monthly Profit	Purchase Cost	Required Monthly Maintenance (hours)	Capacity
HG30	3.000\$	600.000\$	20	20
WH10	2.000\$	200.000\$	60	8

Wolfe has 1.800.000\$ available to purchase helicopters, and it wishes to have a total fleet capacity of at least 25. It also has a service contract with HMC –Helicopter Maintanence Companyfor up to 140 hours per month.

- a. Formulate and solve for the mix of helicopters that would bring Wolfe its maximum monthly profit.
- b. Show graphically that there are only five feasible integer solutions. Evaluate the profit of each and verify that the answer to part(a) is correct.
- c. What would be Wolfe's optimal mix of helicopters if it had only 1.799.999\$ avaliable to purchase helicopters? If Wolfe had only 1.799.999\$ for the purchase of helicopters, would you "invest" a dollar with Wolfe for a small percentage of the increased profits?

## **Solution:**

## a. Variables:

X<sub>1</sub>: Number to buy HG30 helicoptersX<sub>2</sub>: Number to buy Wh10 helicopters

## b. Model:

Maximize:  $3.000* X_1 + 2.000* X_2$   $600.000* X_1 + 200.000* X_2 \le 1.800.000$  (Money Limit)  $20*X_1 + 8*X_2 \ge 25$  (Capacity Limit)  $20*X_1 + 60* X_2 \le 140$  (Service Limit)  $X_1$  and  $X_2$  are integers

**Note:** You can see the solution of the problem in the excel sheet  $\underline{g6\text{-}s5\text{-}p5.xls}$  with using solver for answer to section (a).

The graph for section (b) is below. As seen from the graph there are only 5 feasible integer solutions for this problem. The points are (1,1), (2,1), (1,2), (0,2), and (0,3). Their monthly profits are shown in following table.

Solution	(1,1)	(2,1)	(1,2)	(0,2)	(0,3)
Profit	5000\$	7000\$	8000\$	6000\$	9000\$

For section (c) I do not invest Wolfe for a dollar. Because spending a dollar causes 400.000\$ dollars of spending money (diffirence between (0,3) and (1,2) points). But the increase in income is only 1000\$. So I do not.

