

X. GENERAL BUSINESS  
Administration  
(June 7, 2018)

ITEM - gb #8-197  
S.C. MEETING - 6-21-18

ITEM:

To approve a prior fiscal year payment in the amount of \$153,022.52 to Direct Energy for natural gas payments as explained in the backup to the item.

PRIOR ACTION:

BACKUP:

In December 2017, Direct Energy contacted the City of Worcester's Energy and Asset Management (EAM) Department requesting a resolution of an outstanding balance for natural gas supply for 26 invoices covering FY15 and FY16. The invoices were for accounts in Worcester Public Schools, DPW, WFD, and EAM managed buildings. The total amount owed by the city is \$52,980.48. The WPS total is \$153,022.52. The EAM Department and City Auditor have confirmed that these prior year payments are due to Direct Energy. The primary cause is that invoices from Direct Energy prior to June 2017 did not reflect previous balances or credits, they only reflected current charges. Direct Energy has since upgraded their billing system to include previous balances. Since this upgrade there have been no invoices not paid by the WPS or the City. See attached letter from the City's EAM Department to the City Manager.

Annex A (3 pages) contains a copy of a letter from the City of Worcester's Energy and Asset Management Department to the City Manager dated April 17, 2018.

RECOMMENDATION OF MAKER:

RECOMMENDATION OF ADMINISTRATION:

Approve on a roll call.

**City of Worcester, Massachusetts**  
**Department of Administration & Finance**

Edward M. Augustus Jr.  
City Manager

Thomas F. Zidelis  
Chief Financial Officer



John Odell  
Director  
Division of City Energy and Asset Management

**Memorandum**

To: Edward M. Augustus, City Manager  
From: John Odell, Energy & Asset Director  
Cc: Thomas Zidelis, Chief Financial Officer  
Date: April 17, 2018  
Re: Finance Transfer – Unpaid Direct Energy Invoices

On behalf of the city's DPW, Fire, and EAM departments I formally request \$52,980.48 be transferred to cover unpaid Direct Energy gas supply invoices from FY2015 and FY2016.

On December 15, 2017 Direct Energy's David Griffith contacted my office requesting a resolution of an outstanding balance for natural gas supply for 26 invoices (2 of which were credits, not debits) covering FY15 and FY16. The invoices were for accounts in WPS, DPW, WFD, and EAM managed buildings. The total amount owed by the city is \$52,980.48. The WPS total is \$153,022.52.

After an extensive review, it has been determined that the invoices have indeed not been paid. The issue was systemic across several departments. The primary cause is that invoices from Direct Energy prior to June 2017 did not reflect previous balances or credits, they only reflected current charges. Therefore, if an invoice was missed there was no trigger to alert a processing clerk to the problem. In addition, our billing system, HERA, does not track invoices.

Because HERA does not track invoices, it is up to the clerk responsible for each Department's invoice processing to track what invoices were paid and what was not. As mentioned previously, because most invoices received by the city include previous balances, the impetus to separately track all invoices received by each Department (a significant undertaking) was not strong and therefore not done in this case.

The issue has now been addressed in three ways:



1. Direct Energy has upgraded their billing system to include previous balances. Since this upgrade there have been no invoices not paid by the WPS or the City.
2. Clerks in all divisions and departments are now aware that if they see an invoice that does not indicate prior balances that they should start a tracking spreadsheet to make sure that all invoices for this vendor are accounted for and paid.
3. The Finance department is reviewing adding an option to HERA to allow for invoices to be entered into the system as they are being processed.

If you have any additional questions regarding this issue, please let me know.

Thank you for your time and consideration.

Invoice# or Check#	Amount	confirmed not paid per lookup OCR list of school paid invoices 2015-2017	Date	Text	DPT	Facility
H15204228	229.29	229.29	08/04/15	20150702 20150801 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15137929	852.93	852.93	07/03/15	20150602 20150701 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15025090	23,777.79	23,777.79	05/12/15	20150202 20150228 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15025091	26,053.27	26,053.27	05/12/15	20150301 20150401 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15073065	2,331.37	2,331.37	06/03/15	20150501 20150601 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15016326	(39,522.44)	-39,522.44	05/12/15	20150202 20150228 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H15022080	5,098.38	5,098.38	05/11/15	20150402 20150430 2745-282-0023-X000322	WPS	Worcester Technical Bldg A - D
H16228466	415.86	415.86	11/02/16	20160929 20161031 2745-273-0032-9232333	WPS	Worcester Technical
H15941270	3,546.60	3,546.60	04/02/15	20150228 20150331 2745-273-0032-9232333	WPS	Worcester Technical
H15040853	1,126.31	1,126.31	05/20/15	20150416 20150515 1021-937-0011-X000765	WPS	Tatnuck Elementary School
H15244696	(147.67)	-147.67	08/21/15	20150618 20150717 1021-937-0011-X000765	WPS	Tatnuck Elementary School
H15989729	4,595.88	4,595.88	04/24/15	20150218 20150415 1021-937-0011-X000765	WPS	Tatnuck Elementary School
H15981901	(11,100.18)	-11,100.18	04/24/15	20150218 20150318 1021-937-0011-X000765	WPS	Tatnuck Elementary School
H15434502	124.25	124.25	11/16/15	20151010 20151110 1641-137-0014-x000017	WPS	Chandler Elementary School
H15932296	2,204.76	2,204.76	03/30/15	20141212 20150114 1641-137-0014-x000017	WPS	Chandler Elementary School
H15932298	7,137.20	7,137.20	03/30/15	20141212 20150109 1618-937-0014-X000116	WPS	Flagg Street School
H17665666	1,122.07	1,122.07	05/10/17	20170408 20170505 1618-937-0014-X000116	WPS	Flagg Street School
H14433586	20.16		07/22/14	1027-436-0014-5550618 0613 0714 22 SL0118421	WPS	Univ Park Campus School
H15932297	7,582.92	7,582.92	03/30/15	20141210 20150112 1618-963-0011-9443579	WPS	Gates Lane School
H15959527	4,700.36	4,700.36	04/13/15	20150312 20150409 1618-963-0011-9443579	WPS	Gates Lane School
H15959540	4,209.73	4,209.73	04/13/15	20150312 20150408 1019-748-0022-D000536	WPS	Greendale School
H15959538	2,158.95	2,158.95	04/13/15	20150311 20150408 2792-248-0010-9639316	WPS	Lakeview School
H15932302	3,121.03	3,121.03	03/30/15	20141210 20150112 2792-248-0010-9639316	WPS	Lakeview School
H15959529	11,356.02	11,356.02	04/13/15	20150312 20150409 1645-451-0013-9139033	WPS	Burcoat Middle School
H15930137	6,427.36	6,427.36	03/27/15	20150221 20150325 1034-327-0038-X000437	WPS	Quinsigamond School
H15942941	6,972.93	6,972.93	04/03/15	20150303 20150401 2842-702-0012-X000490	WPS	North High
H15930138	7,212.43	7,212.43	03/27/15	20150221 20150325 1047-508-0015-9744021	WPS	South High
RESIDUAL CLEARNG	1,256.48		02/07/18	Balance Forward credit adjustment	WPS	South High
H16228467	243.29	243.29	11/02/16	20160929 20161031 1641-139-0012-9851303	WPS	Beimont Street School
H15941267	4,901.22	4,901.22	04/02/15	20150226 20150331 1641-139-0012-9851303	WPS	Beimont Street School
H15942943	17,643.08	17,643.08	04/03/15	20150301 20150401 1024-123-0019-9639334	WPS	Burcoat Sr. High School
H15924517	235.41	235.41	03/25/15	20140913 20141016 2791-925-0012-9839983	WPS	Midland Street School
H15924516	874.43	874.43	03/25/15	20140416 20140516 2791-925-0012-9839983	WPS	Midland Street School
H15924515	958.39	958.39	03/25/15	20140318 20140415 2791-925-0012-9839983	WPS	Midland Street School
H15945860	1,539.19	1,539.19	04/06/15	20141017 20141117 2791-925-0012-9839983	WPS	Midland Street School
H15924518	3,503.49	3,503.49	03/25/15	20150218 20150317 2791-925-0012-9839983	WPS	Midland Street School
H15959539	1,768.21	1,768.21	04/13/15	20150312 20150409 2819-092-0018-X000630	WPS	Wawucos Road Elementary
H15924523	6,092.59	6,092.59	03/25/15	20150218 20150323 2827-167-0011-X000632	WPS	May St Elementary
000827011	(91.41)		10/11/16	Pmt On Acct: 10/3/2016 Ck#826425	WPS	Clark St Elementary
H15932291	209.14	209.14	03/30/15	20141212 20150114 1039-614-0013-9930190	WPS	Thomdyke Rd Elementary
000827011	(43.93)		10/11/16	Pmt On Acct: 10/3/2016 Ck#826425	WPS	Thomdyke Rd Elementary
H15914751	929.06	929.06	03/20/15	20150214 20150318 1056-911-0017-6390161	WPS	Foley Stadium
H15942938	3,278.79	3,278.79	04/03/15	20150303 20150401 1052-322-0027-X000056	WPS	Grafton St. Bldg 2 (Elem Sch)
000827011	(152.72)		10/11/16	Pmt On Acct: 10/3/2016 Ck#826425	WPS	Worcester Art Magnet
H13892408	(2,435.48)		10/18/13	2880-056-0014-D000425 0814 0911 2975 SL0235264	WPS	Worcester Art Magnet
H13892407	(25.70)		10/18/13	2880-056-0014-D000425 0716 0813 31 SL0235264	WPS	Worcester Art Magnet
H15094813	96.29	96.29	06/12/15	20150509 20150610 1029-988-0012-F668961	WPS	Mill Swan School
H15959536	88.10	88.10	04/13/15	20150312 20150409 1029-988-0012-F668961	WPS	Mill Swan School
H15932301	51.29	51.29	03/30/15	20141210 20150112 1029-988-0012-F668961	WPS	Mill Swan School
H17665669	834.52	834.52	05/10/17	20170408 20170505 1020-499-0013-X000527	WPS	Nelson Place School
H15932294	7,095.89	7,095.89	03/30/15	20141212 20150108 1053-921-0038-9332884	WPS	Norrbach Elementary School
H17665667	1,418.11	1,418.11	05/10/17	20170408 20170505 1053-921-0038-9332884	WPS	Norrbach Elementary School
H17665668	665.76	665.76	05/10/17	20170408 20170505 1640-572-0018-9236818	WPS	McGrath Elementary School
H15383205	833.67	833.67	10/23/15	20150919 20151021 1011-426-0010-X000252	WPS	Chandler Magnet
H17665670	838.93	838.93	05/10/17	20170408 20170505 2836-997-0018-X000578	WPS	Burcoat Elementary
H15942940	3,616.34	3,616.34	04/03/15	20150303 20150401 1051-583-0015-X000140	WPS	Rice Square School
H15968187	613.55	613.55	04/15/15	20150314 20150410 1019-232-0033-P081851	WPS	H/S Taylor Building
H15100051	72.44	72.44	06/16/15	20150513 20150612 1019-232-0033-P081851	WPS	H/S Taylor Building
000827011	(131.10)		10/11/16	Pmt On Acct: 10/3/2016 Ck#826425	WPS	City View Elementary
H17422884	(3,984.07)	-3,984.07	01/31/17	20161022 20161121 1018-706-0040-9139041	WPS	Woodland Academy
H17422885	(10,522.32)	-10,522.32	01/31/17	20161122 20161220 1018-706-0040-9139041	WPS	Woodland Academy
H17422886	(12,595.77)	-12,595.77	01/31/17	20161221 20170123 1018-706-0040-9139041	WPS	Woodland Academy
H17425418	36,016.17	36,016.17	01/31/17	20160421 20170123 1018-706-0040-9139041	WPS	Woodland Academy
H16210923	(994.79)	-994.79	11/01/16	20160816 20160919 1018-706-0040-9139041	WPS	Woodland Academy
H16210919	(3,015.32)	-3,015.32	11/01/16	20160421 20160518 1018-706-0040-9139041	WPS	Woodland Academy
H16210920	(63.01)	-63.01	11/01/16	20160519 20160621 1018-706-0040-9139041	WPS	Woodland Academy
H16210921	(273.48)	-273.48	11/01/16	20160622 20160718 1018-706-0040-9139041	WPS	Woodland Academy
H16210922	(177.74)	-177.74	11/01/16	20160719 20160815 1018-706-0040-9139041	WPS	Woodland Academy
H15932293	5,618.44	5,618.44	03/30/15	20141212 20150114 2777-022-0013-9334684	WPS	Fanning School
000827011	(114.73)		10/11/16	Pmt On Acct: 10/3/2016 Ck#826425	WPS	Fanning School
RESIDUAL CLEARNG	1,620.44		01/23/18	Balance Forward credit adjustment	WPS	Millbury Street Head Start
H15942945	3,123.82	3,123.82	04/03/15	20150303 20150401 2771-674-0017-Z000663	WPS	Millbury Street Head Start
	<b>153,022.52</b>	<b>Total WPS</b>				