

## CITY COMMISSION AGENDA ITEM

<b>TITLE</b>	<b>Approve Agreement with Eganix for Fats, Oil and Grease Elimination Program</b>
<b>SUBMITTING DEPARTMENT</b>	<b>City Manager</b>
<b>PRESENTER</b>	<b>Kevin Yee</b>
<b>MEETING DATE</b>	<b>July 14, 2025</b>
<b>SECOND READING REQUIRED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>CERTIFIED RESOLUTION</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### EXECUTIVE SUMMARY

The City of Royal Oak has historically taken a reactive approach to addressing fats, oils, and grease (FOG) issues in our sewer system—particularly in the downtown and other restaurant-heavy areas. To manage these challenges, we currently rely on a network of slow-release tablets throughout the system to prevent backups. While this method helps mitigate immediate risks, it does not address the source of the problem.

We are now exploring more proactive, long-term strategies to manage FOG. A key part of this effort will be asking our next Sustainability Systems Manager to develop a Downtown Waste Management Plan. This plan will help us better characterize our waste streams, provide system-wide recommendations with key performance indicators (KPIs), and ultimately offer the City and the DDA a focused, data-driven roadmap for sustainable waste management.

As part of this shift, we are proposing a new FOG management program that emphasizes education, source reduction, and consistent enforcement led by the company Eganix. The program will include:

- A comprehensive review and potential updates to our wastewater ordinance to improve compliance.
- Routine site inspections, wastewater testing, reporting, and ongoing monitoring.
- A GIS dashboard to track FOG compliance across 106 food preparation locations in the downtown and Woodward corridor.

Eganix has agreed to attend the Environmental Advisory Board (EAB) and Downtown Development Authority (DDA) meetings in July to discuss the topic with both boards.

Although this service is not currently budgeted, we anticipate the program will lead to significant savings by reducing our reliance on the slow-release tablets (currently budgeted at \$97,000 annually) and by decreasing the amount of time our crews spend on emergency inspections and cleanings each week. We will closely monitor program costs throughout the year and address any material overages through future budget amendments. Long-term, this approach is expected to create both operational and financial efficiencies for the City.

---

### Fiscal Impact

BUDGET SUMMARY	
EXPENDITURE REQUIRED	\$81,420.00
AMOUNT CURRENTLY BUDGETED	\$0.00
BUDGET AMENDMENT REQUIRED	\$0.00 (BA between dept; net -0- effect on FB)
FUNDING SOURCE/ GL NUMBER	592-540-82500 and 226-528-80100
WAS THIS A BUDGETED EXPENSE?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**OTHER FISCAL IMPACTS:** (Select all that apply.)

☐ No fiscal impact

☒ Workload impact (details below)

☐ Revenue impact (details below)

☐ Operations Impact (details below)

**REVENUE IMPACT:** N/A

**WORKLOAD IMPACT:** This program will reduce the time spent by the sewer crews, who currently inspect the manholes downtown on a weekly basis and clean regularly.

**OPERATIONS IMPACT:** This program will reduce the need for our current system of adding tablets in the sewer system. The DPS has identified offsetting reductions that can offset the costs of this program, which include reducing the tablet use in sewers at a budgeted cost of \$97,000. We hope this will cover the cost of this program.

---

### ALIGNMENT WITH COMMISSION APPROVED PLANS, POLICIES, AND PROGRAMS

This program will reduce FOG in the sewer system and instead have these products treated appropriately.

---

### COMMUNITY ENGAGEMENT

None

---

### BOARD AND COMMISSION FEEDBACK

This will be brought to the July 23 EAB meeting for informational purposes.

---

### LEGAL COMMENTS

### PROPOSED COMMISSION RESOLUTION:

**Be it resolved,** the Royal Oak City Commission hereby approves the attached agreement with Eganix for the FOG reduction program and other related items of work for the total amount of \$81,420; and

**Be it further resolved,** the following Budget Amendment for the FOG reduction program and other related items of work using competitively bid contract pricing or other due diligence in accordance with the City's purchasing policy and/or under the following Agreements is authorized

<b>FUND IMPACTED:592-540-82500</b>	
	<b>INCREASE (DECREASE)</b>
<b>APPROPRIATIONS:</b>	
<b>592-540-82500</b>	<b>\$71,420</b>
<b>226-528-80100</b>	<b>\$10,000</b>
<b>{dept/ACCT. #/ACCT. name}</b>	<b>\$</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$81,420</b>
<b>NET INCREASE (DECREASE) TO FUND BALANCE</b>	<b>\$</b>

**ATTACHMENTS:** Eganix Sole Source Letter  
Eganix Quote