

ITEM #:	37
DATE:	07-14-26
DEPT:	FLEET

COUNCIL ACTION FORM

**SUBJECT: CONTRACT EXTENSION FOR SOLID RUBBER TIRES AND ACCESSORIES
WITH SETCO, IDABEL, OKLAHOMA**

BACKGROUND:

On November 1, 2021, the City awarded a contract to SETCO of Idabel, OK for the purchase of solid rubber tires and related accessories used on wheel loaders operating at the Resource Recovery facility. The original contract provided for an initial term from December 1, 2021 through June 30, 2022 with four additional one-year renewal periods.

The contract has been renewed through June 30, 2026, exhausting all renewal options included in the original solicitation. During the contract term, the City has purchased five sets of solid rubber tires, averaging one set annually. These tires are used on the Resource Recovery division's two John Deere 644K wheel loaders and typically provide approximately two years of service life per set before replacement is required.

Typically, staff would recommend issuing a new competitive solicitation at the conclusion of the current contract term. However, Resource Recovery and Fleet Services are preparing for the construction and transition to the new Resource Recovery and Recycling Campus facility. Staff believes it is in the City's best interest to postpone issuing a solicitation for a new 5-year contract until facility construction is closer to completion and staff can better evaluate future tire requirements.

An additional set of tires is needed in the near term to maintain operation of Resource Recovery equipment. Therefore, staff is requesting approval of a one-year contract extension with SETCO through June 30, 2027. **SETCO has provided quotation for one set of four solid rubber tires and associated adapter plates and has agreed to hold its FY 2025/26 costs firm in the amount of \$44,264.68, including freight.**

Funding for tire replacement is available within Resource Recovery's tire replacement funds in the amount of \$75,512.

ALTERNATIVES:

1. Approve the one-year contract extension with SETCO through June 30, 2027.
2. Decline to extend the contract and direct staff to solicit new bids for solid rubber tires and related accessories.

CITY MANAGER'S RECOMMENDED ACTION:

SETCO has successfully supplied the City's solid rubber tire needs since 2021. A one-year extension will allow staff to meet immediate operational needs while deferring a new long-term solicitation until construction of the new Resource Recovery and Recycling Campus is complete. In addition, SETCO has agreed to hold current pricing firm through the extension period, resulting in no price increase to the City. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.