



CITY OF UTQIAGVIK

"Farthest North Incorporated City"

Introduced by:	Asisaun Toovak, Mayor
Date of Introduction:	January 26, 2023
Action:	
Vote:	

RESOLUTION #2-2023

A RESOLUTION AUTHORIZING THE SALE OF AN OLDER AUGER AND THE LEASE OF A NEWER AUGER TO BARROW UTILITIES & ELECTRIC COOPERATIVE, INC.

WHEREAS, the City Council of the City of Utqiagvik ("City") desires to sell the "Old Auger" (as described in Exhibit A) owned by the City to the Barrow Utilities & Electric Cooperative, Inc. ("BUECI") and allow BUECI to use the "New Auger" (as described in Exhibit A), all pursuant to the terms and conditions set forth in the Auger Use and Sale Agreement between the City and BUECI (the "Auger Use and Sale Agreement"), attached as Exhibit B;

WHEREAS, the City was a party to that certain Equipment Lease Agreement dated January 7, 2008 with BUECI (the "Original Agreement"), attached as Exhibit C, whereby BUECI was given the right to use the Old Auger whenever the auger was not needed to dig graves;

WHEREAS, pursuant to Section II of the Original Agreement, which has since expired, the BUECI had an option to purchase the Old Auger at the end of the term, if permitted by law, for \$15,500 with a credit for prior lease payments received;

WHEREAS, the BUECI lease payments under the Original Agreement exceeded the \$15,500 option purchase price;

WHEREAS, the City desires to sell the Old Auger to BUECI for one dollar (\$1.00) on an "as-is, where-is" basis using the Bill of Sale attached as Exhibit D, pursuant to the terms and conditions set forth in the Auger Use and Sale Agreement;

WHEREAS, the City also desires to enter into the Auger Use and Sale Agreement for the New Auger with BUECI, whereby BUECI will have the right to use the New Auger for public purposes, whenever the New Auger is not being used to dig graves for the City's residents, but BUECI will not have a right to purchase the New Auger at the end of the



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Auger Use and Sale Agreement, all also subject to the terms and conditions of the National Petroleum Reserve-Alaska Program Grant Agreement dated January 31, 2022, the funds from which were used to purchase the New Auger; and

WHEREAS, pursuant to Chapter 4.16.020.C of the City's Code of Ordinances (the "Code"), the City Council is only required to solicit competitive bids that are reasonable and practical under the circumstances, because the Original Agreement contained an option to purchase provision for the Old Auger, and the Old Auger has reached the end of its useful life, it is proper to sell the Old Auger to BUECI for \$1.00 and the past consideration received.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Utqiagvik, Alaska: (a) that the Old Auger has reached the effective end of its useful life; (b) it is in the best interest of the City to permit the sale of the Old Auger for \$1.00 and past consideration; (c) because of the option to purchase provision contained in the Original Agreement, it is reasonable and practicable under the circumstances to not solicit any additional bids; and (d) the Old Auger will be sold according to the terms and conditions of the Auger Use and Sale Agreement;

BE IT FURTHER RESOLVED that the City Council of Utqiagvik, Alaska authorizes the sale of the Old Auger to the BUECI for \$1.00 in hand received and for past consideration received, "**AS IS, WHERE IS,**" and all subject to the terms of the Auger Use and Sale Agreement as attached as Exhibit B;

BE IT FURTHER RESOLVED that the City Council of Utqiagvik, Alaska authorizes granting BUECI the right to use the New Auger, all subject to the terms of the Auger Use and Sale Agreement;

BE IT FURTHER RESOLVED that the City Council of Utqiagvik, Alaska grants to the Mayor the authorization to execute the Auger Use and Sale Agreement as attached as Exhibit B and the Bill of Sale attached as Exhibit D on behalf of the City, along with any other documents necessary or desirable to effectuate the intent of this Resolution and of the Auger Use and Sale Agreement.

PASSED AND APPROVED BY THE BARROW CITY COUNCIL THIS 26TH DAY OF JANUARY 2023 with ___ in favor and ___ opposed.



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Asisaun Toovak, Mayor

ATTEST:

Mary V. Patkotak, City Clerk