

Dowland Contracting Ltd.
General & Mechanical Contracting

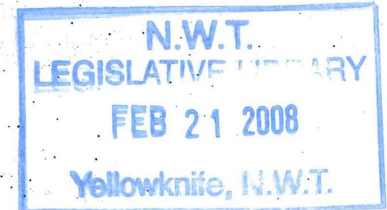
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P.O. Box 1660, Inuvik, NT X0E 0T0 Phone: (867) 777-8500 Fax: (867) 777-4106

18th February 2008,

Hon. Michael McLeod, Minister
 Department of Municipal & Community Affairs,
 Government of the Northwest Territories
 Yellowknife, NT



Re: RFP for Bundled Implementation of Five Community Water Treatment Plants

Dear Minister McLeod,

Dowland Contracting Ltd. submitted a proposal on November 28, 2007 to the GNWT Department of Municipal & Community Affairs for the following GNWT design build initiative:

*Bundled Implementation of Five Community Water Treatment Plants
 Department of Municipal and Community Affairs,
 Government of the Northwest Territories
 RFP082003/PM005143*

Dowland pre-qualified for this opportunity by submitting an Expression of Interest in August 2007. Five firms expressed an interest at the first opportunity and the GNWT opted to quality two of these for the second round of submissions – Dowland & Corix

Dowland was notified on January 25, 2008 that the project was to be awarded to Corix of British Columbia. We were advised that our proposal could have been stronger in the following areas:

- Ease of Operations
- Warranty Options
- Support Options.

The GNWT did not identify our project costing as an area where we could have been stronger; therefore our costing submission was clearly competitive and most likely lower in cost than the selected proponent, especially considering the application of the BIP.

We found it odd that during the evaluation of this complicated submission that we were not contacted to provide any additional information to clarify our submission. In our experience it is common for Owners to ask many questions regarding a submission, particularly one as complex as this. The only communication we had was regarding a review of our costing and allowances for products that we were told were exempt from the GNWT Business Incentive policy (BIP). We were asked no questions to clarify any of the noted "areas where we could have been stronger".

Since the notification of this decision we have had some disturbing questions arise over the RFQ/RFP process including the following:

1. Did MACA attempt to undermine points awarded to Dowland for BIP during the RFP evaluation?
2. MACA's failure to ask even a single question with regards to our submission leads us to wonder if our submission was taken seriously.
3. It is apparent that MACA had been talking to Corix, the successful proponent, on –and-off for months prior to the issuance of the RFQ/RFP. This is troubling. Anyone reading the handout that was given to five community representatives attending a MACA meeting in April 2007, could be forgiven for believing that this MACA-Corix presentation was a "Fait accompli" with Corix presented as the contractor of choice by MACA. Corix was clearly presented as "The Solution" to the problems GNWT has had with the construction of water treatment plants in the past. MACA would have worked with Corix to develop exactly what they wanted in terms of a program, which would have been a huge advantage when it came to responding to the RFP. Corix, therefore, had much more time than any other proponent to review and refine its proposal.

The following are attached to this e-mail:

- Correspondence re BIP between MACA & Dowland
- Dowland's BIP Listing
- MACA Handout for 2007 Community Meeting in YK
- Original RFP
- Letter of Regret to Dowland from MACA

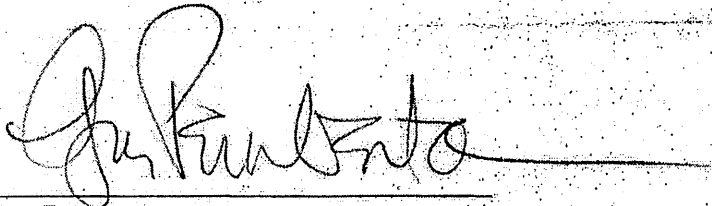
The fact that this RFP was issued for public response necessarily implies that no group had an inside track and that equal opportunity is afforded all proponents. Our view is that the RFP process here was a sham and that there is a real perception that the entire RFP and RFP evaluation paid lip service to the GNWT standards governing this type of public solicitation.

Dowland has over 25 years of experience in building infrastructure in the NWT; we have worked in every community in the North and it is a sad day when we are excluded from participating on a major project as a result of the preference of un-elected officials for a particular southern contractor.

Is it the policy of this Government to support southern contractors in competition with competent qualified Northern businesses?

Dowland is reviewing all options at this time. We request that you review this matter at your earliest convenience with the officials involved during the entire process, possibly as far back as 2006.

Yours truly,

A handwritten signature in black ink, appearing to read "Guy Pemberton", written over a horizontal line.

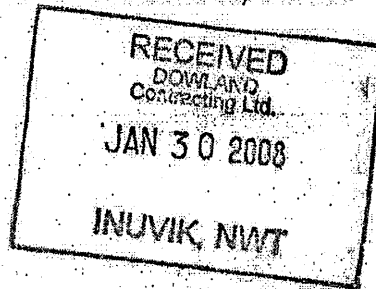
Guy Pemberton

President

gpemberton@dowland.ca



Northwest
Territories Municipal and Community Affairs



RFP082003

January 25, 2008

Guy Pemberton
Dowland Contracting Ltd.
P.O. BOX 1660
INUUVIK, NT XOE 0T0

Dear Mr. Pemberton:

Request for Proposals # - RFP082003/PM005143

Thank you for your proposal dated November 28, 2007 for the above referenced work. We also received proposals from:

CORIX Water Systems/ ADCO North / Dillon Consulting

We evaluated all proposals in accordance with criteria outlined in the Request for Proposals.

We regret to inform you that your proposal was not the highest rated; the proposal from CORIX Water Systems/ ADCO North / Dillon Consulting was the highest rated. Your proposal was good, but could have been stronger in the following areas:

- 1) Ease of Operation
- 2) The Warranty Options
- 3) The Support Options

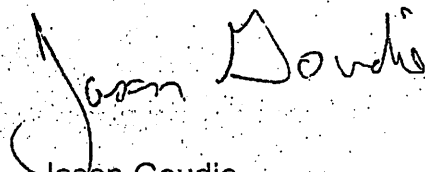
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Should you desire, we can also be available to discuss your proposal with respect to its strengths and weaknesses.

We appreciate all the time and effort you spent in preparing your proposal and hope you will continue to submit proposals when requested. Please forward the appropriate documentation for reimbursement of proposal development cost up to \$25,000 as provided for in the RFP.

Sincerely,

A handwritten signature in black ink that reads "Jason Goudie". The signature is written in a cursive style with a large initial "J".

Jason Goudie
Purchasing / Finance Officer
Municipal and Community Affairs