

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: March 10, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Joshua Burman, Public Works Director

Topic: Award of Bid – 2026 Lead Service Line Replacement Program

PURPOSE

Staff requests that the Village Board award the inaugural phase of the Village’s Lead Service Line Replacement (LSLR) construction work to Five Star Energy Services, LLC of Waukesha, WI the lowest responsive bidder, in an amount not to exceed \$3,441,825.

PROCESS

Initial LSLR Program Steps

Since 2021, the Village has systematically advanced its LSLR Program. Following the passage of Public Act 102-0613, Homewood submitted its initial service line inventory to the Illinois Environmental Protection Agency (IEPA) in April 2023, establishing the scale of the program. In April 2024, with assistance from Burns & McDonnell, the Village completed and submitted its Lead Service Line Replacement Plan, which outlined the inventory, schedule, prioritization strategy, public outreach plan, and funding approach. A required public hearing was held in March 2025, providing residents with information and an opportunity to provide feedback.

State Revolving Loan Funding

The Village’s funding strategy has also advanced. In July 2025, the IEPA’s final ***Intended Use Plan*** was released which reserved the full amount of Homewood’s request for a State of Illinois revolving fund loan; \$4,137,498 for the FY 2026 construction program. The loan will be repaid to the State of Illinois over a 30-year term. The loan includes \$2,465,000 in principal forgiveness and \$1,672,498 in 0% interest loans. The funds will support the first full year of lead line replacement and construction of 267 service lines.

10-Year Implementation Plan

To meet the requirements of Public Act 102-0631, the Village adopted a 10-year implementation plan to replace the 4,363 lead service lines in Homewood. The program begins with 267 replacements in spring 2026, and progresses with a consistent target of 410 lines annually through 2035, concluding with 406 in 2036. This approach allows the Village to balance regulatory compliance with practical considerations such as construction capacity, resident coordination, and financial sustainability.

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Homewood's Lead Line Replacement Schedule

| Year | Lead Lines to Replace (10%) | Remaining Lead Lines |
|--------------|-----------------------------|----------------------|
| 2026 | 267 | 4,096 |
| 2027 | 410 | 3,686 |
| 2028 | 410 | 3,276 |
| 2029 | 410 | 2,866 |
| 2030 | 410 | 2,456 |
| 2031 | 410 | 2,046 |
| 2032 | 410 | 1,636 |
| 2033 | 410 | 1,226 |
| 2034 | 410 | 816 |
| 2035 | 410 | 406 |
| 2036 | 406 | - |
| Total | 4,363 | 0 |

First Replacements to be Completed in Homewood

Per the EPA's 2021 Revised Lead and Copper Rule, Homewood must first complete replacements of lead service lines that impact the "vulnerable population;" defined as schools and childcare facilities, due to the disproportionate risk that lead exposure poses to young children, who are more vulnerable to its harmful neurological and developmental effects. Staff has communicated this process to the relevant school districts.

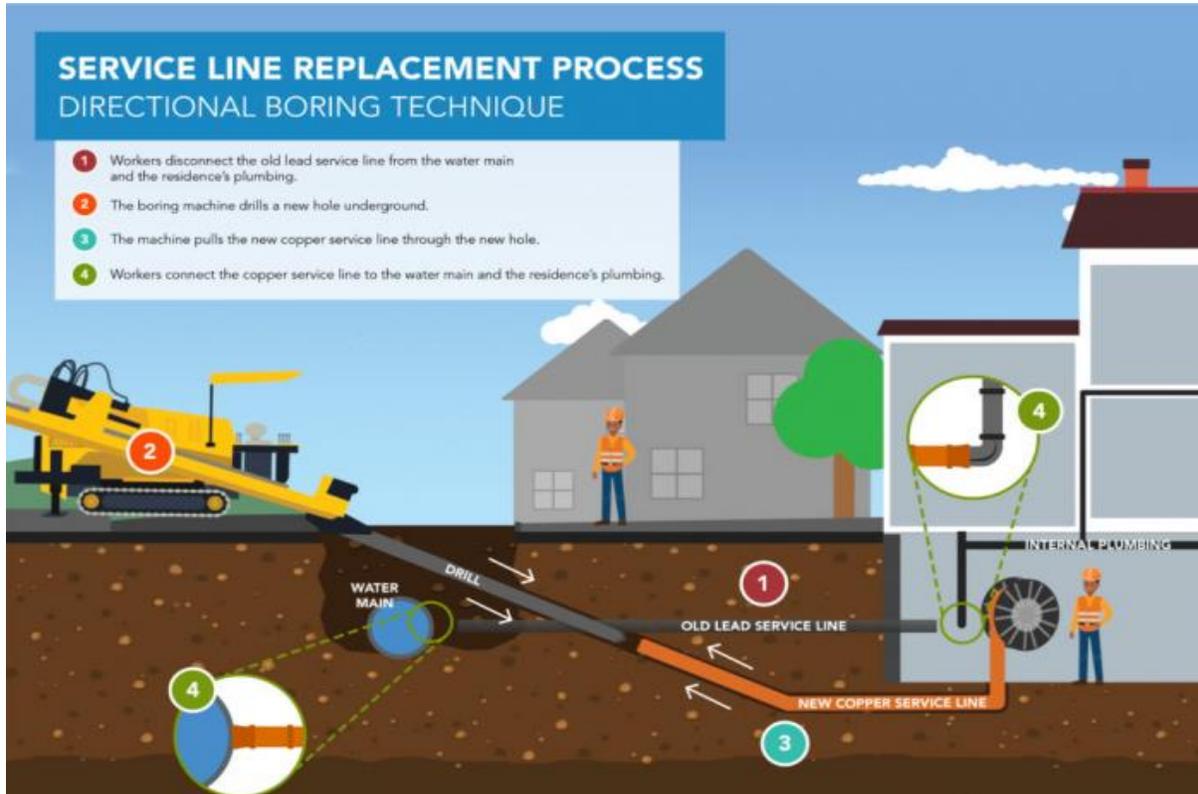
Lead Service Line Replacement Work

The lead service line replacement work will implement a method called "directional boring" (*see exhibit below*). To minimize surface disruption, the selected contractor will create two to three (2–3) small pits, allowing the directional drill to bore a path from the street into the home or building. Once the drill reaches the interior, a new one-inch (1") copper water service line will be pulled back through the bore and connected to the Village's water main and to the interior plumbing of the residence or building. After all connections are complete, the contractor will properly seal (waterproof) any wall or floor penetrations at the foundation and backfill the pits.

Initial Advertisement for Bids - Unsuccessful

Originally, the project was bid on December 2, 2025. Trine Construction Corp. submitted the lowest bid at \$2,339,000, followed by Five Star Energy Services at \$2,651,610 and Airy's Inc. at \$3,575,617. The bids were forwarded to the Illinois Environmental Protection Agency (IEPA) for review. Although Trine Construction was the lowest bid, the Village was informed by the IEPA that Homewood would not be able to accept **any** of the bids because the Village's "Advertisement for Bids" failed to include required language that explicitly explained various IEPA procurement provisions. In summary, the IEPA required Homewood to rebid the project.

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Directional Boring exhibit

Current Advertisement for Bids

Homewood advertised for competitive bids on February 23, 2026, and the same companies that bid during the 2025 bid solicitation, were the same three bidders who submitted for the 2026 solicitation.

| Bidder | Proposed Cost |
|---|---------------|
| Trine Construction Corp.– St. Charles, IL | *\$2,958,200 |
| Five Star Energy Services, LLC – Waukesha, WI | \$3,441,825 |
| Airy’s Inc. – Joliet, IL | \$3,644,617 |

**Non-responsive - the bid did not materially comply with the bid specifications or instructions.*

Selection Process

The project was rebid and bids were received on February 23, 2026. Trine Construction Corp. again submitted the lowest bid at \$2,958,200, followed by Five Star Energy Services at \$3,441,825, and Airy’s Inc. at \$3,644,617.

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Non-Responsive Bid

During the bid submission evaluation process, the Village's engineering consultant for this project, Burns & McDonnell, identified that Trine Construction failed to meet the Disadvantaged Business Enterprise (DBE) notification requirement, which *requires all bidders to undertake specified affirmative efforts at least sixteen (16) days prior to the bid opening*. Trine Construction's DBE notice was only published for 13 days, which does not satisfy the IEPA requirement. After explaining Trine Construction's reasoning for the discrepancy with the IEPA bidding requirements, the Village had no other choice but to move forward with the second-lowest bidder, Five Star Energy Services.

IEPA as the Final Authority

Trine Construction submitted a "letter of contest" dated Thursday, March 5, 2026. The letter suggested that the "Village Board should carefully consider all of their options." Because Homewood is receiving funding from the IEPA to complete the Lead Service Line Replacement project, IEPA become the final authority on whether or not municipal funding expended on the project is eligible to be either directly funded or reimbursed to the municipality. The IEPA anecdotally shared that the Village of Homewood could "in theory" move forward with the lowest bid (Trine Construction). Because Trine Construction did not meet the IEPA bidding requirements, the IEPA would neither be able to reimburse the Village for expenditures, nor pay direct for Trine's work under the Lead Service Line Replacement program.

Trine also shared in their "letter of contest" that they had "in fact" met the DBE advertising requirement during the **original** bidding process; therefore, should still be considered the lowest responsible bidder. However, IEPA clarified in an email on Thursday, March 5, 2026 that the DBE advertisement used during the original bidding **cannot** be applied to the rebid process. Because the rebid constitutes a separate bidding event, the IEPA can only evaluate compliance based on the actions taken during the most recent bid process.

In response to Trine's "letter of contest," Burns & McDonnell prepared a formal response on behalf of the Village. The letter explains that the project is a matter of public health for the residents of Homewood and that the Village cannot proceed with the project without funding through the State Revolving Fund (SRF) loan program. Compliance with SRF requirements, including adherence to both Illinois and federal law, is clearly stipulated in the Contract Drawings and required by the Illinois Environmental Protection Agency (IEPA).

The response further states that Trine did not meet the required Disadvantaged Business Enterprise (DBE) advertising requirements associated with the rebid process. As a result, the Village is unable to award the project to Trine. A copy of the response letter is included in the attachments for reference.

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The Contractor

Five Star Energy Services, LLC is a Midwest-based underground utility construction company headquartered in Waukesha, Wisconsin. Founded in 2020, the company provides infrastructure construction and engineering services for water, sewer, natural gas, telecommunications, and electric utility systems. Their work commonly includes installing and rehabilitating underground infrastructure such as water mains, sewer mains, fiber-optic lines, and gas distribution systems for municipalities, utilities, and private-sector clients. They have done lead service line replacement projects for the City of Milwaukee, City of Cleveland, Village of Matteson, City of Batavia, City of Elgin, and many more municipalities across the United States.

Project Work Timeline

Once the project is awarded, the selected contractor will coordinate with the Village to schedule the start of construction in early summer. Access agreements will be distributed to property owners to obtain permission to proceed with the work and to clearly outline the restoration responsibilities of both the Village and the property owner. It is anticipated that the contractor will complete up to 267 lead service line replacements by the end of 2026 or early 2027.

Village staff, in coordination with Burns & McDonnell, will work closely with the selected contractor to ensure project deadlines are met and that a high level of customer service is maintained throughout the construction process.

IEPA Notice of Intent to Award

In order to proceed with the project, the Village must first submit the bid process to the Illinois Environmental Protection Agency (IEPA) for review to ensure full compliance with agency standards. To advance to the next phase, the Village is required to execute and submit a “Notice of Intent to Award” signed by an authorized Village representative.

OUTCOME

Awarding this contract will allow the Village to move forward with replacing lead service lines that serve “vulnerable populations,” including schools and childcare facilities, while remaining on track to meet the Illinois Environmental Protection Agency’s (IEPA) requirement that all lead service lines within the Village be fully replaced by 2030.

FINANCIAL IMPACT

The IEPA’s final Intended Use Plan was released in July 2025. State’s Revolving Loan Fund has reserved \$4,137,498 for the Village of Homewood, with \$2,465,000 of that amount designated as a forgivable loan.

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Funding Source: Funding from Water Sewer Capital to be reimbursed through the State Revolving Loan Funding (IEPA)

- **Available Amount (IEPA):** \$4,137,498
- **Bid - Cost:** \$3,441,825

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Award the 2026 Lead Service Line Replacement construction work to Five Star Energy Services, LLC of Waukesha, WI the lowest responsive bidder, for an amount not to exceed \$3,441,825, contingent upon approval from the Illinois Environmental Protection Agency.

ATTACHMENT(S)

- Bid Tabulation
- Notice of Intent to Award
- Trine Letter of Contest
- Village of Homewood Response Letter to Trine Construction