

(options) to receive retirement benefits. Each option provides the member with a lifetime monthly retirement benefit. Once a retirement benefit becomes due and payable, as defined by N.J.A.C. 17:10-5.3, the option cannot be changed. Except under the Maximum Option and Option 1, once a member designates a beneficiary, that beneficiary cannot be changed. The options are as follow:

1.-9. (No change.)

(c) Before an application for retirement may be processed, the Division must receive proof of the member's age, if none is already in the member's record and proof of the beneficiary's age, if the member elected Option A, B, C, D, 2, 3, or 4.

(d) (No change.)

17:10-5.2 Effective date

A member's retirement allowance shall not become due and payable until 30 days after the date the State House Commission approves the application for retirement or 30 days after the date of retirement, whichever is later.

17:10-5.5 Benefits payable when a member dies with a retirement application pending

Pursuant to N.J.S.A. 43:6A-16.1, the person designated as the beneficiary of an optional settlement on a member's pending retirement application may request, upon the member's death, that the member's retirement and selected option become effective. The surviving beneficiary must request in writing that the State House Commission approve the retirement. If the deceased member failed to select an optional settlement, the State House Commission shall grant an Option 3 settlement.

17:10-5.7 Employer disability application; employee notice

(a) (No change.)

(b) [Appropriate time will be given the] **The member will have six months** to supplement the medical and documentary evidence submitted by the court. **If a member requires additional time to supplement medical and documentary evidence, the member must request an extension of time and provide a sound basis for the request.**

17:10-5.8 Early retirement defined

Retirement on the first of the month [in which] **before** a member attains age 60 shall be classed as "early" retirement, although a reduction is not applied if the member's 60th birthday occurs on or before the 15th of such month.

17:10-5.9 Service retirement; eligibility

A member becomes eligible for "service" retirement on the first of the month following the month in which the member satisfies the conditions of retirement for age and service. [At the election of the member, if] **If** the member's [60th] birthday falls on the first of [a] **the month in which the member becomes eligible for a service retirement under any of the options specified at N.J.S.A. 43:6A-8 and 9,** the retirement shall become effective on that date, provided [the member files a timely retirement application] **it is the retirement date indicated on the member's retirement application.**

SUBCHAPTER 6. TRANSFERS

17:10-6.1 Interfund transfers; other State systems

(a) (No change.)

(b) **The receipt of a public pension or retirement benefit is expressly conditioned upon the rendering of honorable service by a public officer or employee. Therefore, if the Board or Commission of an employee's former system determines that all or a portion of the employee's prior service is dishonorable, the Board or Commission of the employee's new State-administered retirement system shall disallow the purchase or transfer of that portion of prior service deemed dishonorable.**

[(b)] (c) (No change in text.)

[(c)] (d) The System will transfer membership to any State-administered system as follows:

1. A member[,] desiring to transfer credits to any State-administered retirement system must file an [application for "Transfer of Membership

Credit"] **"Application for Interfund Transfer" within 90 days of the appointment,** in place of the customary application for withdrawal of accumulated contributions. This application will void all possible credit against the present system when approved and the new membership shall commence in the new system.

2.-5. (No change.)

Recodify existing (d) and (e) as **(e) and (f)** (No change in text.)

(a)

DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

Classification and Prequalification of Firms

Proposed Readoption: N.J.A.C. 17:19

Authorized By: Robert A. Romano, Acting State Treasurer, through Steven M. Sutkin, Director, Division of Property Management and Construction.

Authority: N.J.S.A. 52:34-9.1 et seq. and 52:35-11.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2015-156.

Submit comments by February 5, 2016, to:

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The agency proposal follows:

Summary

The Division of Property Management and Construction (DPMC) proposes to readopt N.J.A.C. 17:19, which governs the State's process for classifying and prequalifying firms seeking to contract with the State of New Jersey (the "State") for performance of construction work or rendering of professional design services on State public works projects. Pursuant to N.J.S.A. 52:14B-5.1.c, the rules in this chapter are scheduled to expire October 31, 2015. In accordance with N.J.S.A. 52:14B-5.1.c(2), the submission of this notice of proposal to the Office of Administrative Law extends the expiration date 180 days to April 28, 2016.

The Division has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. Since their initial adoption in 1970, the rules have provided an effective framework to allow the State to fairly and effectively evaluate the financial capacity, experience, and fitness of firms desiring to submit bids for construction work or proposals for professional design services on State public works projects. There is a continued need for such regulations to ensure that the State will accept bids and proposals from only those contractors and design professionals determined to be duly qualified according to the DPMC's objective standards. Therefore, the Acting Treasurer and the Director propose to readopt these rules without amendment.

Through N.J.A.C. 17:19, the Division of Property Management and Construction establishes rules governing the administration of the State's contractor classification and consultant prequalification process. The rules spell out the forms to be used, the DPMC 27 for contractors and Form 48A for consultants, the statements required, and the criteria for evaluation of completed forms. For contractor classification, they describe how performance ratings are developed, the requirements for obtaining a trade classification, as well as the factors considered in calculating the firm's aggregate rating.

The rules enumerate the causes for debarment or suspension of a firm and identify the administrative requirements incident to the decision to debar or suspend. A hearing process is described for those firms that protest bid awards, classification and prequalification determinations,

performance evaluations, suspensions, debarments, or disqualification decisions.

The rules identify the principal elements of the selection process, including the verification of qualifications, advertising, screening of firms, selection committee procedures and obtaining approvals. They also describe the DPMC’s advertisement process for soliciting firms to become prequalified. The rules set forth the requirements for the selection of a consultant for a relatively larger project (major engagement) and for the selection of a consultant for a relatively smaller project (routine engagement).

The rules establish the “term contract” as a mechanism that may be used by the DPMC for specific service categories for a specific time period and describe the “term contract” selection procedures and requirements. They set forth the “agency consultant” program by which agencies may utilize the services of consultants directly on relatively minor projects in accordance with the requirements of the agency consultant policy and statutory maximums.

As the Division has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The rules proposed for readoption create a framework for the effective regulation of procurement of construction work and professional services on public works construction projects. The process by which DPMC solicits competitive proposals has ensured, and will continue to ensure, fairness to firms seeking to submit competitive bids and proposals for work and services, while at the same time protecting the public interest by limiting the award of contracts to firms possessing the requisite experience, financial and physical resources, and integrity.

Economic Impact

The rules proposed for readoption will continue to enhance the competitiveness and cost effectiveness of the State’s capital design and construction program, thus resulting in a positive economic impact. In providing contracting services for State construction projects, the DPMC has a significant effect on the State economy. Federal government and industry studies indicate approximately 30 private sector jobs are created for each \$1 million in construction contracts executed. Other industry sources estimate that for each \$1.00 spent on new construction, between \$2.00 and \$3.00 is generated in economic activity in industry and services. Thus, projected construction awards of the DPMC, the New Jersey Building Authority (NJBA), the New Jersey Schools Development Authority (NJSDA), and local school boards, which make use of the DPMC lists of classified and prequalified firms, will generate thousands of private sector jobs. These factors demonstrate the positive impact of New Jersey’s public construction program on the State’s economy. Such benefits are necessarily enhanced by a classification and prequalification system that seeks to ensure that only qualified bidders perform the work. Increased competition for State construction projects and schools is also crucial to keeping construction costs as low as possible, resulting in savings to the State, and in turn, the taxpayers of New Jersey.

Federal Standards Statement

A Federal standards analysis is not required because the rules proposed for readoption are mandated by the provisions of N.J.S.A. 52:18A-191.1 et seq., and are not subject to any Federal requirements or standards.

Jobs Impact

The Division does not anticipate that the rules proposed for readoption will have any impact on the creation or loss of jobs.

Agriculture Industry Impact

The rules proposed for readoption will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

Under the rules proposed for readoption, documents and statements will be required of firms, some of which may be small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. These requirements will not impose undue burdens that would decrease

the current level of participation of small businesses seeking contracts to render professional services or perform construction work for the State.

The rules proposed for readoption impose reporting, recordkeeping, and compliance requirements on small businesses as that term is defined within the meaning of the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The types of small businesses affected by the rules are professional firms and construction contractors seeking to submit proposals for the award of contracts on State public works projects. Entities wanting to submit proposals are required to:

- Submit DPMC-27 classification forms and supporting documentation (contractors);
- Submit DPMC-48A prequalification forms and supporting documentation (design professionals); and
- Subject their proposals for professional services or work to public scrutiny upon the documents being deemed public information.

Entities whose proposals are accepted by the State must submit required contractual forms and documentation and comply with applicable codes and DPMC procedures.

Firms seeking classification and/or prequalification are required to obtain the services of a certified public accountant or public accountant, see N.J.S.A. 45:2B-29 et seq., and to submit accurate financial information. This requirement is a function of sound business practice, whose ultimate goal is to assess the financial capabilities of a firm and protect the expenditure of State capital funds. These rules should impose no capital costs upon contractors or design consultants beyond those normally incurred in the course of contracting in their respective business areas. N.J.S.A. 52:35-2 imposes application fees of \$100.00 every two years. Other fees are limited to professional licensure fees required by the State to practice architecture, engineering, or any other specialized construction services in the State of New Jersey.

Housing Affordability Impact Analysis

The Division does not anticipate that the rules proposed for readoption will have any impact on the average costs associated with housing. The rules govern the State’s process for classifying and prequalifying firms seeking to contract with the State of New Jersey for performance of construction work or rendering of professional design services on State public works projects.

Smart Growth Developmental Impact Analysis

The Division does not anticipate that the rules proposed for readoption will have any impact on housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The rules govern the State’s process for classifying and prequalifying firms seeking to contract with the State of New Jersey for performance of construction work or rendering of professional design services on State public works projects.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 17:19.

(a)

**DIVISION OF REVENUE AND ENTERPRISE SERVICES
BUSINESS SUPPORT SERVICES BUREAU**

**Commercial Recording - Publication of Bulk Access
Fee Schedules**

**Proposed Readoption with Amendments: N.J.A.C.
17:34**

Authorized By: Robert A. Romano, Acting State Treasurer.
Authority: N.J.S.A. 12A:9-523(f), 12A:9-525, 14A:15-3, 15A:15-2,
22A:4-1a, 42:2A-68, 42:2C-93, 52:7-11, 52:16A-40, 56:1-1 et
seq., and 56:3-1 et seq.

Calendar Reference: See Summary below for explanation of
exception to calendar requirement.

Proposal Number: PRN 2015-154.

Submit comments by February 5, 2016, to: