

**CHAPTER 19**

**CLASSIFICATION AND QUALIFICATION OF BIDDERS**

**Authority**

N.J.S.A. 52:35-1 et seq.

**Source and Effective Date**

R.1995 d.90, effective February 21, 1995 (operative March 23, 1995).  
See: 26 N.J.R. 4747(b), 27 N.J.R. 755(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 19, Classification and Qualification of Bidders, expires on February 21, 2000.

**Chapter Historical Note**

Chapter 19, originally Rules Governing the Classification and Qualification of Bidders, was adopted as R.1970 d.91, effective July 31, 1970. See: 2 N.J.R. 57(c), 2 N.J.R. 78(b). Pursuant to Executive Order No. 66(1978), Chapter 19 was readopted as R.1990 d.193, effective March 8, 1990. See: 22 N.J.R. 329(b), 22 N.J.R. 1150(b). Chapter 19 was repealed and new rules regarding Classification and Qualification of Bidders were adopted as R.1995 d.90. See: Source and Effective Date.

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**SUBCHAPTER 1. GENERAL PROVISIONS**

**17:19-1.1 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

“Classification” means the process and product of assigning specific construction categories or trades and the maximum aggregate workload level(s) which define the eligibility of prospective bidders as determined by the Division, in accordance with this chapter.

“Director” means the Director of the Division of Building and Construction (hereinafter referred to as DBC) in the Department of the Treasury.

“Person” means any individual, copartnership, association, corporation or joint stock company, their lessees, trustees, assignees or receivers appointed by any court whatsoever.

“Public work” means any public building or other public betterment, work or improvements constructed, repaired or improved wholly or in part at the expense of the public.

“Questionnaire” means the Request for Classification (GSA-27).

## SUBCHAPTER 2. RULES

**17:19-2.1 Statements required from prospective bidders; contents**

(a) Any person proposing to submit bids on public work shall submit to the Director a statement under oath on a form designated as Request for Classification (GSA-27) Current Issue. The GSA-27 shall fully describe and establish the financial ability, responsibility, plant and equipment, organization, ownership, relationships and prior experience of the prospective bidder and shall be used by the Division of Building and Construction (DBC) in classifying prospective bidders pursuant to N.J.S.A. 52:35-1 et seq.

(b) Each GSA-27 submission shall include:

1. A certified audited, or reviewed, financial statement or compilation of financial statements. The financial statement shall include signed cover letter, by an accountant complete with a balance sheet, related statements of income and retained earnings and cash flows and notes to financial statements in complete detail. Such statements shall be completed by a certified public accountant or public accountant, as established by N.J.S.A. 45:2B-29 et seq. who is independent of and not an employee of the contractor for which the financial statements are being provided:

i. The certified audited financial statements shall have an unqualified opinion. The CPA review of financial statements shall be in conformity with generally accepted accounting principles. All financial statements shall be for a full one year accounting cycle.

ii. Submission of a CPA compilation of financial statements will limit a contractor's maximum aggregate rating to \$5,000,000.

iii. Submission of a CPA review of financial statements will limit contractor's maximum aggregate rating up to \$15,000,000.

iv. Submission of a certified audited financial statement will be required for aggregate ratings exceeding \$15,000,000.

v. Submission of combined or consolidated statements is not acceptable, unless complete supplementary (combining or consolidating) information is included within the report. This information shall be of such detail as to show the singular financial condition of the entity being classified;

2. A statement as to organization, which shall demonstrate the adequacy of such organization (officers and key management personnel) to undertake a project in the classification desired;

3. A statement as to prior experience, which shall show the number of years the prospective bidder has been engaged in the contracting business and shall further disclose the bidder's experience over that period. In such statement, the applicant may demonstrate the experience of officers, managers and key personnel prior to their affiliation with applicant, which information shall be considered by the DBC;

4. A statement as to the past performance, which shall give an accurate and complete record of work completed in the past four years, by the contractor (not by subcontractors or individuals employed by others) giving the names of the projects, type of work, location, contract price and the names of the owner and of the architect/engineer in charge for the owner. This statement shall also disclose any labor problems experienced, any failure to complete a contract on schedule, any failure to meet contractual Affirmative Action requirements, any penalties imposed by reason of any contract undertaken within the said four year period. The prospective bidder shall explain any of the above problems, failures or penalties encountered during the past four years and what steps have been taken to avoid the recurrence of such problems, failures or penalties;

5. A statement that the applicant has adopted or will comply with an Affirmative Action Program for Equal Opportunity in accordance with New Jersey and Federal laws, rules and regulations;

6. A statement as to bonding capacity, which shall be from a surety authorized to issue bid, performance and payment bonds in the State of New Jersey to the applicant contractor, and shall indicate aggregate bonding limits;

7. If the contractor is a corporation or partnership, a statement setting forth the names and addresses of all stockholders or partners owning 10 percent or greater interest in the contractor. If one or more stockholders or partners is itself, a corporation or partnership, the statement shall also indicate the stockholders holding 10 percent or more of the corporation's stock or the individual partners owning a 10 percent or greater interest in the partnership. The disclosure shall be continued until the names and addresses of every noncorporate stockholder or partner exceeding the 10 percent ownership criterion has been listed; and

8. A statement setting forth any other pertinent material and facts that will justify the classification and ratings requested by the contractor.

(c) All foreign corporations shall include a current "Certificate of Authority to perform work in New Jersey" as issued by the Department of State pursuant to N.J.S.A. 14A:13-4 et seq.