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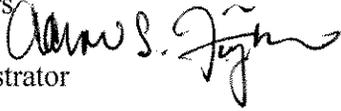
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February 22, 2006

PROCUREMENT CIRCULAR NO. 2006-02

TO: Executive Department Heads
Chief Procurement Officers

FROM: Aaron S. Fujioka, Administrator 

SUBJECT: Campaign Contributions by State and County Contractors
Section 11-205.5, Hawaii Revised Statutes

Effective immediately, Section 11-205.5, HRS prohibits campaign contributions from state and county government contractors during the term of its contract with any governmental purchasing agency. A copy is attached for your reference.

To inform potential contractors of this mandate, the following statement should be included in all solicitations and contracts that utilize funds appropriated by the legislative body, whether paid in whole or in part.

Campaign contributions by State and County Contractors. *Contractors are hereby notified of the applicability of Section 11-205.5, HRS, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body.*

For more information, Act 203/2005 FAQs are available at the Campaign Spending Commission webpage, www.hawaii.gov/campaign. Questions on campaign spending issues should be directed to the Campaign Spending Commission's Executive Director, Barbara Uphouse Wong or General Counsel, Grant Tanimoto at 586-0285. If you have any procurement questions, please call me at 587-4700, or your staff may call Ruth Yamaguchi at 586-0554.

attachment

§11-205.5 Campaign contributions by state and county

contractors. (a) It shall be unlawful for the person who enters into any contract with the State, any of its counties, or any department or agency thereof either for the rendition of personal services, the buying of property, or furnishing any material, supplies, or equipment to the State, any of its counties, department or agency thereof, or for selling any land or building to the State, any of its counties, or any department or agency thereof, if payment for the performance of the contract or payment for material, supplies, equipment, land, property, or building is to be made in whole or in part from funds appropriated by the legislative body, at any time between the execution of the contract through the completion of the contract, to:

(1) Directly or indirectly make any contribution or to promise expressly or impliedly to make any contribution to any political party, committee, or candidate or to any person for any political purpose or use; or

(2) Knowingly solicit any contribution from any person for any purpose during any period.

(b) This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any state or national bank, corporation, or labor organization for the purpose of influencing the nomination for election or the election of any person to office; provided that the commission shall by rule establish contribution limits for limited liability companies as defined in section 428-101, limited liability partnerships as defined in section 425-101, and limited liability limited partnerships as defined in section 425E-102. Sole proprietors subject to this section shall comply with applicable campaign contribution limits in section 11-204.

(c) For purposes of this section, "completion of the contract" means that the parties to the government contract have either terminated the contract prior to completion of performance or fully performed the duties and obligations under the contract, no disputes relating to the performance and payment remain under the contract, and all disputed claims have been adjudicated and are final. [L Sp 1995, c 10, pt of §2(1); am L 1997, c 190, §6; am L 2005, c 203, §8]