



Enterprise Services Policy No. POL-DES-125-03

# Direct Buy Purchases

**Applies to:** Any state office or activity of the executive branch of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in [RCW 28B.10.016](#) and correctional and other types of institutions.

**Authorizing sources:**

- State Law [RCW 39.26.125\(3\)](#)
- State Law [RCW 39.26.090\(6\)](#)
- State Law [RCW 39.26.240](#)
- State Law [RCW 43.60A.200](#)
- State Law [RCW 39.26.005](#)
- State Law [RCW 39.26.010](#)
- [DES Policy 210-01](#)

**Effective date:** [DATE]

**Sunset review date:** [5 years from effective date]

**Approved by:** \_\_\_\_\_ [Tara C. Smith, Director](#) [Matt Jones, Interim Director](#)

## Reason for Policy

A competitive solicitation process must be used for all purchases of goods and services unless there is an exception listed under RCW 39.26.125. Direct buy purchases are one of the exceptions, which do not require a competitive process. Certain public purchases do not justify the administrative time and expenses necessary to conduct a competitive process.

This policy establishes the Direct Buy procurement criteria authorized in RCW 39.26.125(3). This policy applies to all purchases for goods and services executed by agencies under delegated authority granted in accordance with [RCW 39.26.090](#) or under [RCW 28B.10.029](#).

The updated direct buy limits are intended to:

- Align with the statutory intent of encouraging and facilitating state agency purchases of goods and services from Washington veteran-owned businesses ([RCW 43.60A.010\(7\)200](#)) and small businesses ([RCW 39.26.005](#) and [RCW 39.26.010\(22\)](#)), which in turn greatly improves opportunities for spending with **certified** minority- and women-owned businesses.
- Set exception limits that give agencies increased authority to make direct buy purchases and purchases of goods and services through an informal process to meet business needs, thus improving efficiency while preserving competitive solicitations for higher-risk procurements.

## Policy

1. **The following direct buy designations shall apply to purchases of goods and services:**

- a. **Direct Buy Level 1:** \$~~3~~40,000
- b. **Direct Buy Level 2:** \$~~4~~50,000 if the purchase is being made from a small business as defined by RCW 39.26.010(22); or from a certified veteran-owned business (RCW 43.60A.010(7)).
- c. **Direct Buy Level 3:** \$50,001 - \$100,000: Provided that agencies solicit price quotes from a combination of at least three small businesses as defined by RCW 39.26.010(22); and or veteran-owned business (RCW 43.60A.010(7)).

2. **The following conditions apply to the direct buy Levels:**

- a. Purchases from a large business's e-commerce marketplace (~~e.g. Amazon~~) are only authorized for Direct Buy Level 1.
- b. Direct Buy Levels include shipping and handling costs but exclude taxes and finance charges.
- c. Direct buy Levels apply on a per transaction basis (to each contract term or to each purchase event).
- ~~d. With regard to repetitive purchases, if an agency makes the same types of purchases repeatedly, during the same year or during consecutive years, even from different vendors, the agency must test the market by either conducting a competitive procurement or using any other exceptions allowed by law (See FAQ # 5).~~
- ~~e.d.~~ If any amendment causes the Direct Buy purchase at any level to exceed the Direct Buy threshold, within a contract term, the amendment shall be competed.
- ~~f.e.~~ If the Direct Buy Levels exceed the agency's delegated authority, the agency must request additional delegation of authority from the DES Director (refer to DES Policy DES-090-00).
- ~~g.f.~~ Agencies shall use due diligence to determine that the price is reasonable based on experience and knowledge of the market (See FAQ # 9 &11).
- ~~h.g.~~ Agencies must document that a vendor meets the qualifying criteria for a Direct Buy Levels 2 & 3 by saving related documents in the contract file.
- ~~i.h.~~ DES' Protest Policy #DES-170-00 does not apply to Direct Buy purchases.
- ~~j.i.~~ Advertising in Washington's Electronic Business Solution (WEBS) is not required.
- ~~k.j.~~ Agencies must use existing DES statewide contracts or DES approved cooperative contracts unless they cannot justifiably satisfy agency needs as documented by the agency (See FAQ # 3)
- ~~—~~ With regard to repetitive purchases, if an agency makes the same types of purchases over and over again, even if from different vendors, it should enter into a competitive procurement repeatedly, during the same year or during consecutive years, even from different vendors, the agency must test the market by either conducting a competitive procurement or using any other exceptions allowed by law (-See FAQ # 5).
- ~~l.k.~~ Agencies may not manipulate a purchase to have the purchase qualify as a Direct Buy purchase to avoid using a competitive process (See FAQ #1).
- ~~l.~~ Agencies must apply appropriate supplier diversity strategies to direct buy purchases are encouraged to consider whether approaches such as unbundling and subcontracting may result in increased purchases from Washington small businesses, to include minority, women, and veteran-owned businesses (see DES Supplier Diversity Policy DES-090-06; POL-DES-090-06\_Supplier\_Diversity.pdf ).
  - ~~i.~~ Agencies are encouraged to consider whether approaches such as unbundling and subcontracting may result in increased purchases from Washington small businesses, to include minority, women, and veteran owned businesses.
  - ~~ii.~~ Conduct targeted outreach.
  - ~~l.iii.~~ Forecast all direct buy purchases with a statement of work and noncompetitive purchases estimated at \$20,000 and above, annually.
- ~~m.~~ All applicable information technology related procurements must conform to the Washington Technology Solutions' IT Investments Approval and Oversight Policy ; PM-01 IT Investments Approval and Oversight Policy.pdf.

- n. Agencies must report all direct buy purchases using the Agency Contract Reporting process.
  - i. Agencies must develop and maintain a process to track direct buy purchases.
  - ii. Only the agencies confirmed are tracking direct buy purchases through the DES risk assessment process can use Direct Buy Level 3.

3. For purchases valued at \$50,001 to \$100,000, agencies may purchase from a certified small and or veteran-owned businesses after obtaining at least three written quotes.
- a. If no small or veteran-owned business is available to provide the good or service the agency requires at Level 3, a competitive solicitation process must be used to acquire the good or service.
  - b. Agencies must use due diligence when procuring goods and services valued at \$50,001 to \$100,000 (see procedure for details).

3.4. An agency's record of compliance with the Direct Buy policy will be a factor in an agency's risk assessment.

4.5. Agencies shall report Direct Buy purchases in accordance with [DES's Contract Reporting Policy #DES-210-01](#).

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## Frequently Asked Questions

FAQ: [Direct Buy Policy FAQ](#)

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## Resources

- **Related Enterprise Procurement Policies:**
  - [DES-POL-090-06](#), Supplier Diversity Policy
  - [DES-POL-090](#), Delegation of Authority Policy
  - [DES-POL-140-00](#), Sole Source Contract Policy
  - [WaTech PM-01](#)

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## History

[Replaces Adopted](#)

[DES-125-03 Direct Buy Purchases Policy \(Revision effective March 9, 2022\)](#) ~~March 9, 2020~~

[History Replaces](#)

[DES-125-03 Direct Buy Policy \(Rev. 01-08-15, effective through March 15, 2020\)](#)

DES-125-03 Direct Buy Purchases Policy (Effective date March 16, 2020 through March 8, 2022)

[DES-125-03 Direct Buy Purchases Policy \(Revision effective March 9, 2022 through \[DATE\]\)](#)

~~[DES-125-03 Direct Buy Policy \(Rev. 01-08-15\)](#)~~