

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 No. [POL-DES-210-01](#)

Effective date: September 1, 2025

Approved by:  Matt Jones, 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 Veteran-owned businesses ([RCW 43.60A.010\(7\)](#)) and Washington small businesses ([RCW 39.26.010\(22\)\(a\)](#)), which in turn greatly improves opportunities for spending with 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:** Up to \$40,000
 - b. **Direct Buy Level 2:** \$40,001 - \$50,000 if the purchase is being made from a Washington small business or from a Veteran-owned business.

- c. **Direct Buy Level 3:** \$50,001 - \$100,000: Provided that agencies invite Quotes from a combination of at least three Washington small businesses as defined by RCW 39.26.010(22)(a); and/or from a certified Veteran-owned business as defined by [\(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 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. If any amendment causes the Direct Buy purchase to exceed the Direct Buy threshold at any level within a contract term, a competitive solicitation must be conducted or an alternative procurement method must be chosen to cover the additional costs.
- 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).
- f. Agencies shall use Due Diligence to determine that the price is reasonable based on experience and knowledge of the market.
- 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.
- h. [DES' Complaints and Protest Policy #DES-170-00](#) does not apply to Direct Buy purchases.
- i. Advertising in the state's enterprise bidder registration and notification system is not required, but agencies may utilize the system to find qualified vendors for Direct Buy purchases.
- 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.
- k. With regard to repetitive purchases, if an agency makes the same types of purchases repeatedly, even if from different vendors, it should enter into a competitive procurement or use any other exceptions allowed by law.
 - i. Low dollar value (not to exceed \$1,000 per month) annual software subscriptions or license services are exempted from the repetitive purchase requirements of this policy.
- l. Agencies may not manipulate a purchase to have the purchase qualify as a Direct Buy purchase to avoid using a competitive process.
- m. Agencies must apply appropriate supplier diversity strategies for Direct Buy purchases (see [DES Supplier Diversity Policy DES-090-06](#)).
 - i. Conduct targeted outreach.
 - ii. Forecast all Direct Buy purchases with a statement of work and noncompetitive purchases estimated at \$20,000 and above, annually.
 - iii. 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.
- n. All applicable information technology related procurements must conform to the [Washington Technology Solutions' IT Investments Approval and Oversight Policy](#).

3. For purchases valued at \$50,001 to \$100,000 (Level 3), agencies must use Due Diligence:

- a. Agencies may purchase from a Washington small business and or Veteran-owned businesses after inviting at least three Quotes.
- b. Agencies must document evidence of three invited Quotes.
- c. Direct Buy Level 3 purchases are not available for businesses which are not Washington small business or Veteran-owned businesses.
- d. Agencies must report on all Direct Buy Level 3 purchases upon DES (or other entity) request when using the Direct Buy Level 3 limit. At a minimum, agencies must track and be able to report the

following fields:

- i. Direct Buy identifier number (i.e. contract number, purchase order number, P-Card transaction number)
 - ii. Amendment number
 - iii. Vendor Name
 - iv. Direct Buy start date or date of Purchase
 - v. Direct Buy end date
 - vi. Direct Buy value (excluding tax)
 - vii. Identify the awarded contractor's status (i.e. a Washington small business or Veteran-owned business)
 - viii. Purpose of the purchase or contract description
- e. Agencies are not required to use the Direct Buy Level 3. However, if an agency chooses to utilize Direct Buy Level 3, it must comply with additional reporting requirements (see PRO-DES-125-03A, Section 3 for detailed reporting requirements). This report is specific to Direct Buy Level 3 purchases and should not be included in the annual DES contract report under [DES's Contract Reporting Policy #DES-210-01](#).
4. **An agency's record of compliance with the Direct Buy policy will be a factor in an agency's procurement risk assessment.**
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Procedure

Procedure Document: PRO-DES-125-03A

Frequently Asked Questions

FAQ: Direct Buy Policy FAQ

Resources

- **Resources**
 - Direct Buy Level 3 [Worksheet Template](#)
 - Direct Buy Level 3 [Reporting Template](#)
 - [2025 Direct Buy Video](#)
 - **Related Enterprise Procurement Policies:**
 - [DES-POL-090-06](#), Supplier Diversity Policy
 - [DES-POL-090](#), Delegation of Authority Policy
 - [DES-POL-210-01](#), DES's Contract Reporting Policy
 - [WaTech PM-01](#)
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History

Replaces

DES-125-03 Direct Buy Purchases Policy (Revision effective March 9, 2022)

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

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