**Question:**  Are agencies required to use master contracts for purchases under the direct buy limits?

**Answer:** Yes. One of the main tenants of strategic sourcing is aggregating spend to increase buying power. Therefore, if there is a master contract that meets an agency’s needs then it should be used. In the event that the contract cannot justifiably satisfy agency needs, the agency may make a direct buy purchase.

**Question:** What is meant by “cannot justifiably satisfy agency needs?

**Answer:** There is not a definition, as the intent is to allow agencies to use their discretion and good, sound judgment. Some examples include: the product doesn’t meet the required performance specifications, the contractor’s delivery time does not meet the agency’s needs, the agency requires different terms (i.e. warranty provisions, insurance requirements, etc.), etc. The purchase file shall be documented before an agency chooses to go off contract (and either compete, direct buy, or sole source – as appropriate). There are a few instances on two-tier master contracts where a rapid selection is allowed (a direct buy with one of the pre-qualified firms).

**Question:** Repetitive purchases needs to be better defined and clarified.

**Answer:** Repetitive purchases, defined as an agency cumulative total over the direct buy limit with a single vendor in a fiscal year, shall be competed.

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| **BEST PRACTICES:**  Agencies are encouraged to buy from in-state small businesses to include certified minority, women and veteran owned businesses.  Unless otherwise exempt, procurements that exceed the direct buy limit must be competitively awarded, unless otherwise exempt from competition.  Agencies may not unbundle or manipulate a purchase to have the purchase qualify as a direct buy procurement to avoid using a competitive process. |
| All applicable information technology related procurements must conform to OCIO Policy #121. Agencies may need to coordinate with their assigned OCIO consultant. DES will also be available to assist agencies. |

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| Agencies are to exercise sound professional judgment in implementing direct buy. An agency’s record of compliance with the direct buy policy will be a factor in an agency’s risk assessment. |

Agencies should monitor repetitive purchases. When warranted, agencies should pursue an aggregated buy or notify DES of a potential master contract opportunity.