



Master Contracts FAQ

What is a master contract?

Master contracts, defined in [RCW 39.26.010](#), are established by the Department of Enterprise Services (DES) to leverage the collective buying power of the state for lower costs on frequently purchased goods & services. State agencies, local governments, and other organizations can access master contracts by executing a Master Contract User Agreement with DES.

State agencies are required to purchase from master contracts unless the contract does not justifiably meet their needs. For local government entities, master contracts are optional and used for convenience because they fulfill competitive bidding requirements, reduce risk, and streamline the purchasing process. About 70 percent of customers using master contracts do so by choice.

Master contracts generally allow public agencies to purchase products and services directly from vendors on the contract. A few master contracts, called two-tier contracts, allow agencies to submit a scope of work that meets their business need to vendors on the contract, and the vendors are invited to submit bids on the specific contracting opportunities.

Master contracts typically result from competitive solicitations run by DES, or solicitations run by other national cooperatives such as the National Association of State Procurement Officials (NASPO), ValuePoint, or Sourcewell that are adopted as master contracts for Washington.

All purchases by state agencies must result from a competitive bid process unless one of the exceptions in [RCW 39.26.125](#) applies. Because master contracts are competitively solicited by DES, state agencies may purchase directly from vendors listed on master contracts without further competition.

When would a master contract not meet my purchasing needs?

- **Price:** When it is more cost-effective not to use the master contract. While there is no specified dollar amount for “cost-effective,” the agency should assess the cost savings and document the justification supporting their decision. When doing an assessment, the agency should look at the master contract in its entirety and consider other provisions incorporated into the contract for the price of the goods and/or services, such as product warranty, return policy, support, etc. The agency should also consider the additional cost in staff time and internal resources to purchase from a different source, as agencies incur significant costs to run their procurements.
- **Availability:** When the product or service is not available, or there is no master contract to cover that purchase. Examples: the product does not 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 or insurance requirements), etc.



- **To meet diverse spending goals:** If a small or diverse option is not available on a master contract, agencies can purchase outside of a master contract when they have identified a small or diverse business that meets their needs. Agencies must ensure all procurement rules are followed, including a competitive bid process if required.
 - [Click here to view the DES Direct Buy FAQ.](#)

IMPORTANT: In all of the above instances, the agency must use good, sound judgment and document their justification and rationale for choosing to purchase off the master contract. Be sure to detail the reasoning behind decisions in the formal DES risk assessment reporting.

How does an agency know if they are using master contracts with small and diverse businesses?

- Use the [Department of Enterprise Services' \(DES\) Diverse Business Search Tool](#) to search for master contracts with diverse businesses. This information comes from the vendor profile on WEBS and is linked to OMWBE and Department of Veterans Certifications. The small business designation is a self-registration by the vendor on WEBS.
- Review your agency's past [master contracts spend data](#) to identify the availability of diverse options

What can an agency do if there is not an option on a master contract for a small and diverse business?

If there are no small and diverse businesses available, agencies can consider other contracting options to meet diverse spending goals. If you encounter a master contract without small or diverse businesses, you can provide feedback to DES. You can contact the Contracts Resource Center at DES to provide feedback at contractingandpurchasing@des.wa.gov or by phone at (360) 407-2210.

[Click here to contact a specific Contracts Specialist.](#)