

# BROADCAST BULLETIN

**TO:**

Procurement and Contracting Officers (PCO)  
Purchasing Authority Contacts (PAC)  
Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) Advocates

**SUBJECT:** Target Area Contract Preference Act (TACPA) - Program Changes

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**Purpose** The purpose of this communication is to announce an update to the State Contracting Manual (SCM), Volume 2 to incorporate a clarification resulting from recent legislation, AB 1574 (Statutes of 2021, Chapter 756), for the Target Area Contract Preference Act (TACPA) preference program.

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**Policy** The TACPA preferences apply to all competitive solicitations in excess of one hundred thousand dollars (\$100,000) for the purchase of goods or services including information technology goods and services.

AB 1574 clarifies, for purposes of the TACPA, that the state is required to award both a workforce and a workplace preference for a contract for goods or services, as specified, if the bidder makes both of the required certifications. In addition, statutory language provides:

1. The maximum preference cost for the workplace preference cannot exceed \$50,000.00.
2. The maximum preference cost for the workforce preference cannot exceed \$50,000.00.
3. The maximum combined preferences and incentives resulting from a workplace preference, workforce preference, and other preferences or incentives provided under any other provision of law shall be 15% but may not in any case exceed \$100,000.00 in total.

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**Background** Government. Code (GC) §§ 4530 – 4535.3 establishes and provides direction for the TACPA preference program. DGS implements the program through regulations and conveys instructions to state procurement professionals through the SCM.

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**Procedure/ Process** The TACPA forms and requirements have been updated in the SCM Volume 2 and can be found on the DGS website at:

<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual>

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**Questions** Contact: [TACPA@dgs.ca.gov](mailto:TACPA@dgs.ca.gov)