



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 26, 2025

DEPARTMENT: FINANCE DEPARTMENT

FROM: SELINA ANDREWS, FINANCE DIRECTOR

BY: CARLOS ORTEGA, INFORMATION SYSTEMS MANAGER

TITLE: MICROSOFT OFFICE 365 GOVERNMENT G3 LICENSE
RENEWAL

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the City Manager and Purchasing Agent to complete the purchase of Microsoft Office 365 Government G3 license third year renewal from Dell, LP from September 1, 2025 to August 31, 2026, and increase the compensation by \$289,476.60 for an updated not to exceed amount of \$853,719.72.

EXECUTIVE SUMMARY:

Approval of the Resolution will allow the City of Salinas (City) to continue to provide, maintain, and support various technology programs and platforms for City departments. This renewal is the third year of a three-year quote with Dell, LP. Microsoft 365 Government G3 applies to government agencies using Microsoft Windows, Microsoft Office, and other Microsoft desktop applications. The software licenses provide City staff access to required applications such as Word, Excel, PowerPoint, SharePoint, and Outlook email via the cloud and/or desktop environments.

BACKGROUND:

The City of Salinas has been using Microsoft 365 Government G3 since 2011. Prior to 2011, the City was using Microsoft 365 Enterprise. The change to Microsoft 365 Government G3 was more cost-effective and offered government security and compliance capabilities. The Microsoft Enterprise Licensing Agreement was negotiated by the County of Riverside and Dell, L.P., as part of a competitive bidding process. Many organizations in the State of California have referenced the agreement to secure the best pricing option available. The enterprise agreement allows the City to pay a flat annual fee and subscribe to the needed software and licensing platforms without paying additional fees for releases and updates. The City currently uses Microsoft 365 Government G3 software for its day-to-day operations to meet security requirements and best practices.

Microsoft 365 Government G3 includes core applications such as Microsoft Word, Excel, PowerPoint, SharePoint, and Outlook email available in both cloud and desktop environments.

Microsoft Word is used to create documents, including memos, reports, internal and public correspondence. Excel is used to create spreadsheets to track budgets, inventory, and other data relevant to City business. PowerPoint is used for creating visual presentations. Additionally, SharePoint is one of the leading platforms used to create, collaborate, share, and manage files and workflows within the City environment.

Maintaining software licenses is necessary for the maintenance and operations of multiple staff activities and collaboration tools. The current resolution will authorize the continuation of maintaining core Microsoft applications in cloud and virtual desktop environments.

GOVERNMENT CODE SECTION 84308 APPLIES:

Yes.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

This request supports the City Council's Strategic Goals and Strategies of Effective and Culturally Responsive Government by ensuring that the information systems can support City programs, projects, network infrastructure, and City services.

DEPARTMENTAL COORDINATION:

This staff report has been coordinated with the City Manager's Office and City Attorney's Office.

FISCAL AND SUSTAINABILITY IMPACT:

Funding for Microsoft Office 365 Government G3 software renewal is available and appropriated in the FY 25-26 operating budget.

Fund	CIP (5800)	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)
1000	n/a	20.2033- 63.4980	Outside Services Maintenance - Software	\$1,268,117.00	\$289,476.60	124	6/17/2025, Resolution No. 23269

* The FY 2025-26 Operating Budget was adopted on June 17, 2025.

ATTACHMENTS:

1. Microsoft Office 365 Government G3 Renewal Resolution
2. Dell, LP. Year-3 Quote