

# GAO Highlights

Highlights of [GAO-14-713](#), a report to congressional requesters

## Why GAO Did This Study

In 2010, as focal point for information technology management across the government, OMB's Federal Chief Information Officer launched the Federal Data Center Consolidation Initiative to consolidate the growing number of centers. As of May 2014, agencies reported a total of 9,658 data centers—approximately 6,500 more than reported by OMB in 2011.

GAO was asked to review federal agencies' continuing efforts to consolidate their data centers and achieve cost savings. The objectives were to (1) evaluate the extent to which agencies have achieved cost savings to date and identified future savings through their consolidation efforts, (2) identify agencies' notable consolidation successes and challenges in achieving cost savings, and (3) evaluate the extent to which data center optimization metrics have been established. GAO assessed agency-reported cost savings and avoidance documentation, interviewed agency officials, and assessed data center optimization metrics against prior OMB requirements and goals.

## What GAO Recommends

GAO is recommending that OMB assist agencies in reporting cost savings and develop a metric for server utilization as part of any reevaluation of the metrics. GAO is also recommending, among other things, that agencies fully report their consolidation cost savings. OMB and 12 agencies agreed, 1 did not state whether it agreed or disagreed, 1 had no comments, and 1 partially agreed noting challenges. GAO continues to believe the recommendation remains valid as discussed in the report.

View [GAO-14-713](#). For more information, contact David A. Powner at (202) 512-9286 or [pownerd@gao.gov](mailto:pownerd@gao.gov).

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## DATA CENTER CONSOLIDATION

### Reporting Can Be Improved to Reflect Substantial Planned Savings

## What GAO Found

Of the 24 agencies participating in the Federal Data Center Consolidation Initiative, 19 agencies collectively reported achieving an estimated \$1.1 billion in cost savings and avoidances between fiscal years 2011 and 2013. Notably, the Departments of Defense, Homeland Security, and Treasury accounted for approximately \$850 million (or 74 percent) of the total. In addition, 21 agencies collectively reported planning an additional \$2.1 billion in cost savings and avoidances by the end of fiscal year 2015, for a total of approximately \$3.3 billion—an amount that is about \$300 million higher than the Office of Management and Budget's (OMB) original \$3 billion goal. Between fiscal years 2011 and 2017, agencies reported planning a total of about \$5.3 billion in cost savings and avoidances.

**Agencies' Data Center Consolidation Cost Savings and Avoidances (Dollars in Millions)**

Fiscal year	Estimated and actual			Planned				Total
	2011	2012	2013	2014	2015	2016	2017	
Total savings and avoidances	\$192	\$268	\$683	\$895	\$1,250	\$917	\$1,144	\$5,350
	<b>\$1,143 total</b>			<b>\$4,206 total</b>				

Source: GAO analysis of agency data. | GAO-14-713 Note: Totals may not add due to rounding.

However, planned savings may be higher because six agencies that reported having closed as many as 67 data centers reported limited or no savings, in part because they encountered difficulties, such as calculating baseline data center costs. In addition, 11 of the 21 agencies with planned cost savings are underreporting their fiscal years 2012 through 2015 figures to OMB by approximately \$2.2 billion. While several agencies noted communication issues as the reason for this, others did not provide a reason. Until OMB assists agencies in reporting savings and agencies fully report their savings, the \$5.3 billion in total savings will be understated.

Most agencies reported successes in achieving cost savings—notably, the benefits of key technologies, reduced power consumption and facility costs, and improvements in asset inventories. However, agencies also reported challenges, many of which were the same as GAO found in 2012. One of the most-reported challenges was related to obtaining power usage information as a means to determine cost savings. In light of how closely these successes and challenges relate to achieving cost savings, it is important for OMB to continue to provide leadership and guidance, including—as GAO previously recommended—using the Data Center Consolidation Task Force to monitor agencies' efforts.

Pursuant to OMB guidance, in May 2014 the Data Center Consolidation Task Force completed a set of 11 metrics to measure agency progress toward optimizing their data centers, such as power usage and facility utilization. In addition, related targets to be achieved by fiscal year 2015 have been developed for nearly all the metrics. However, the metrics do not address server utilization, even though OMB reported this to be as low as 5 percent in 2009, which is significantly below OMB's target of 60 to 70 percent. Without such a metric, OMB may not be getting important insight into agencies' progress on a key issue that was a driving factor in launching the consolidation initiative.