

# GAO Highlights

Highlights of [GAO-16-323](#), a report to congressional committees

## Why GAO Did This Study

In 2010, as the focal point for information technology management across the government, OMB's Federal Chief Information Officer launched the Federal Data Center Consolidation Initiative to reduce the growing number of centers. Information technology reform legislation was subsequently enacted in December 2014 that included a series of provisions related to the federal data center consolidation effort, including requiring agencies to report on cost savings and requiring GAO to annually review agency inventories and strategies.

GAO's objectives were to (1) review agencies' data center closures to date and plans for further closures, (2) evaluate agencies' progress in achieving consolidation savings and describe plans for future savings, and (3) assess agencies' progress against OMB's data center optimization targets. To do so, GAO assessed agencies' data center inventories, reviewed agency-reported cost savings and avoidance documentation, and compared agencies' data center optimization data as of November 2015 against OMB's established targets.

## What GAO Recommends

GAO is recommending that 10 agencies take action to address challenges in establishing, and to complete, planned data center cost savings and avoidance targets. GAO is also recommending that 22 agencies take action to improve optimization progress, including addressing any identified challenges. Fourteen agencies agreed with GAO's recommendations, 4 did not state whether they agreed or disagreed, and 6 stated that they had no comments.

View [GAO-16-323](#). For more information, contact David Powner at (202) 512-9286 or [pownerd@gao.gov](mailto:pownerd@gao.gov).

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## DATA CENTER CONSOLIDATION

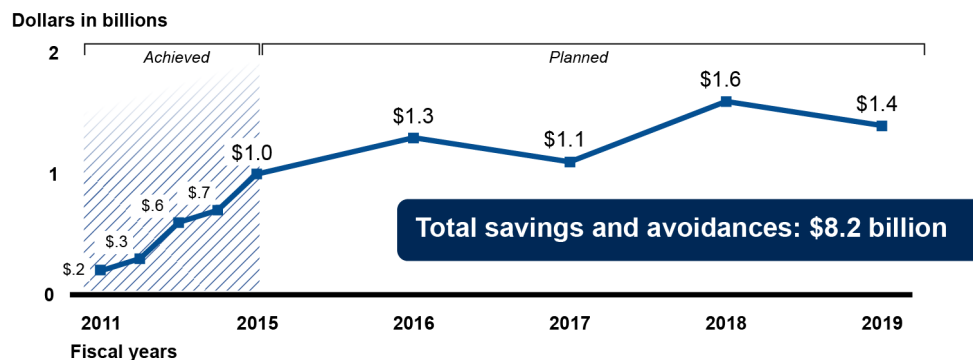
### Agencies Making Progress, but Planned Savings Goals Need to Be Established

## What GAO Found

The 24 agencies participating in the Federal Data Center Consolidation Initiative have collectively made progress on their data center closures efforts. As of November 2015, agencies identified a total of 10,584 data centers, of which they reported closing 3,125 through fiscal year 2015. Notably, the Departments of Agriculture, Defense, the Interior, and the Treasury accounted for 84 percent of these total closures. Agencies are also planning to close an additional 2,078 data centers—for a total of 5,203—by the end of fiscal year 2019.

In total, 19 of the 24 agencies reported achieving an estimated \$2.8 billion in cost savings and avoidances from fiscal years 2011 to 2015. In particular, the Departments of Commerce, Defense, Homeland Security, and the Treasury accounted for about \$2.4 billion (or about 86 percent) of the total. Further, 21 agencies collectively reported planning an additional \$5.4 billion in cost savings and avoidances, for a total of approximately \$8.2 billion, through fiscal year 2019.

### Agency-reported Data Center Consolidation Cost Savings and Avoidances (fiscal years 2011 through 2019)



Source: GAO analysis of agency data. | GAO-16-323

However, planned savings may be higher because 10 agencies that reported planned closures from fiscal years 2016 through 2018 have not fully developed their cost savings goals for these fiscal years. Agencies provided varied reasons for not having fully developed these goals, including facing challenges such as being in the process of re-evaluating their data center consolidation strategies. Until agencies address their challenges and complete savings goals, the \$8.2 billion in total savings may be understated and agencies will not be able to satisfy provisions of a recently enacted information technology acquisition reform law.

Of the 24 agencies, 22 made limited progress against the Office of Management and Budget's (OMB) fiscal year 2015 data center optimization performance metrics, such as the utilization of data center facilities. Two agencies did not have a basis to report on progress. Of the nine metric targets, only one was met by half of the 24 agencies, while the remaining eight were each met by less than half. Agencies reported challenges in meeting OMB's targets, such as the decentralized nature of some agencies. Until agencies take action to improve progress against OMB's metrics, including addressing any challenges identified, they could be hindered in making progress against OMB's optimization targets.