

GAO Highlights

Highlights of [GAO-13-627T](#), a testimony before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, House of Representatives

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—an effort to consolidate the growing number of federal data centers. In July 2011 and July 2012, GAO evaluated 24 agencies' progress and reported that nearly all of the agencies had not completed a data center inventory or consolidation plan and recommended that they do so.

GAO was asked to testify on its report, being released today, that evaluated agencies' reported progress against OMB's planned consolidation and cost savings goals, and assessed the extent to which the oversight organizations put in place by OMB for the Federal Data Center Consolidation Initiative are adequately performing oversight of agencies' efforts to meet these goals. In this report, GAO assessed agencies' progress against OMB's goals, analyzed the execution of oversight roles and responsibilities, and interviewed OMB, GSA, and Data Center Consolidation Task Force officials about their efforts to oversee agencies' consolidation efforts.

What GAO Recommends

In its report, GAO recommended that OMB's Federal Chief Information Officer track and report on key performance measures, extend the time frame for achieving planned cost savings, and improve the execution of important oversight responsibilities. OMB agreed with two of GAO's recommendations and plans to evaluate the remaining recommendation related to extending the time frame.

View [GAO-13-627T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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DATA CENTER CONSOLIDATION

Strengthened Oversight Needed to Achieve Billions of Dollars in Savings

What GAO Found

The 24 agencies participating in the Federal Data Center Consolidation Initiative made progress towards the Office of Management and Budget's (OMB) goal to close 40 percent, or 1,253 of the 3,133 total federal data centers, by the end of 2015, but OMB has not measured agencies' progress against its other goal of \$3 billion in cost savings by the end of 2015. Agencies closed 420 data centers by the end of December 2012, and have plans to close an additional 548 to reach 968 by December 2015—285 closures short of OMB's goal. OMB has not determined agencies' progress against its cost savings goal because, according to OMB staff, the agency has not determined a consistent and repeatable method for tracking cost savings. This lack of information makes it uncertain whether the \$3 billion in savings is achievable by the end of 2015. Until OMB tracks and reports on performance measures such as cost savings, it will be limited in its ability to oversee agencies' progress against key goals.

Pursuant to OMB direction, three organizations—the Data Center Consolidation Task Force, the General Services Administration (GSA) Program Management Office, and OMB—are responsible for federal data center consolidation oversight activities; while most activities are being performed, there are still several weaknesses in oversight. Specifically,

- While the Data Center Consolidation Task Force has established several initiatives to assist agencies in their consolidation efforts, such as holding monthly meetings to facilitate communication among agencies, it has not adequately overseen its peer review process for improving the quality of agencies' consolidation plans.
- The GSA Program Management Office has collected agencies' quarterly data center closure updates and made the information publicly available on an electronic dashboard for tracking consolidation progress, but it has not fully performed other oversight activities, such as conducting analyses of agencies' inventories and plans.
- OMB has implemented several initiatives to track agencies' consolidation progress, such as establishing requirements for agencies to update their plans and inventories yearly and to report quarterly on their consolidation progress. However, the agency has not approved the plans on the basis of their completeness or reported on progress against its goal of \$3 billion in cost savings.

The weaknesses in oversight of the data center consolidation initiative are due, in part, to OMB not ensuring that assigned responsibilities are being executed. Improved oversight could better position OMB to assess progress against its cost savings goal and minimize agencies' risk of not realizing expected cost savings.

In March 2013, OMB issued a memorandum that integrated the Federal Data Center Consolidation Initiative with the PortfolioStat initiative, which requires agencies to conduct annual reviews of its information technology investments and make decisions on eliminating duplication, among other things. The memorandum also made significant changes to the federal data center consolidation effort, including the initiative's reporting requirements and goals. Specifically, agencies are no longer required to submit the previously required consolidation plans and the memorandum does not identify a cost savings goal.