

Why GAO Did This Study

In December 2014, Congress enacted federal IT acquisition reform legislation that included provisions related to ongoing federal data center consolidation efforts. OMB's Federal Chief Information Officer launched DCOI to build on prior data center consolidation efforts; improve federal data centers' performance; and establish goals for inventory closures, cost savings and avoidances, and optimization performance.

The 2014 legislation also included a provision for GAO to annually review agencies' data center inventories and strategies. Accordingly, GAO reviewed agencies' data center closures to date and plans for further closures; evaluated agencies' progress in achieving consolidation savings and described their plans for future savings; and assessed agencies' progress against OMB's data center optimization targets. To do so, GAO assessed the 24 DCOI agencies' data center inventories as of August 2017; reviewed their reported cost savings documentation; evaluated their data center optimization strategic plans; and assessed 22 agencies' progress against OMB's established optimization targets. Two agencies did not have a basis to report planned optimization milestones.

OMB and the 24 DCOI agencies provided mixed responses to GAO's findings on the progress made towards initiative goals. GAO continues to believe that implementation of the recommendations made previously will help the agencies meet OMB's targets for cost savings and optimization of performance.

View [GAO-18-264](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

DATA CENTER OPTIMIZATION

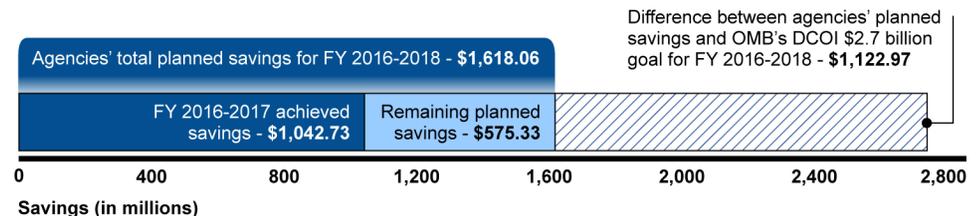
Continued Agency Actions Needed to Meet Goals and Address Prior Recommendations

What GAO Found

The 24 agencies participating in the Office of Management and Budget's (OMB) Data Center Optimization Initiative (DCOI) reported mixed progress toward achieving OMB's goals for closing data centers by September 2018. Over half of the agencies reported that they had either already met, or planned to meet, all of their OMB-assigned goals by the deadline. This would result in the closure of 7,221 of the 12,062 centers that agencies reported in August 2017. However, 4 agencies reported that they do not have plans to meet all of their assigned goals and 2 agencies are working with OMB to establish revised targets.

With regard to agencies' progress in achieving cost savings, 20 agencies reported, as of August 2017, that they had achieved \$1.04 billion in cost savings for fiscal years 2016 and 2017. In addition, the agencies' DCOI strategic plans identify an additional \$0.58 billion in planned savings—for a total of \$1.62 billion for fiscal years 2016 through 2018. This total is approximately \$1.12 billion less than OMB's DCOI savings goal of \$2.7 billion (see figure). This shortfall is the result of 12 agencies reporting less in planned cost savings and avoidances in their DCOI strategic plans, as compared to the savings targets established for them by OMB.

Agencies' Reported Achieved and Planned Data Center Optimization Initiative Savings against OMB's Goal for Fiscal Years (FY) 2016 through 2018, as of August 2017



Source: GAO analysis of agency data. | GAO-18-264

The 24 agencies reported limited progress against OMB's five data center optimization targets for server utilization and automated monitoring, energy metering, power usage effectiveness, facility utilization, and virtualization. As of August 2017, 1 agency had met four targets, 1 agency had met three targets, 6 agencies had met either one or two targets, and 14 agencies reported meeting none of the targets. Further, as of August 2017, most agencies were not planning to meet OMB's fiscal year 2018 optimization targets. Specifically, 4 agencies reported plans to meet all of their applicable targets by the end of fiscal year 2018; 14 reported plans to meet some of the targets; and 4 reported that they do not plan to meet any targets.

In 2016 and 2017, GAO made a number of recommendations to OMB and the 24 DCOI agencies to help improve the reporting of data center-related cost savings and to achieve optimization targets. As of March 2018, 74 of these 81 recommendations had not been fully addressed.