Back to the future: data center consolidation in the states

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Data center consolidation continues to be a top priority for many state chief information officers (CIOs) who hope to reduce cost, optimize IT infrastructure, and pursue green IT methods. While most states strive for the same outcomes consolidation efforts can produce, not every state has taken the same path to get there.

Deltek's latest **report** reviews data center consolidation initiatives in 14 states over a span of 10 years. The report, released last week, looks specifically at common data center consolidation solicitation requirements and examines existing data center backgrounds. The most common consolidation paths focus on facilities, hardware/software, and services, each of which offers a different opportunity to the vendor community.

Data center facility consolidation aims to reduce operating expenses associated with maintaining several data centers statewide while trying to ensure a centralized location does not increase risk. This approach increases performance by streamlining IT services and lowering energy usage. The biggest concerns with data center facility consolidation are security, capacity, and power consumption.

- Past Opportunity **46168**: Georgia; Status- Awarded; Year- 2008
- Future Opportunity **66506**: Minnesota; Status- Acquisitioning; Year- 2010

Data center hardware/software consolidation seeks to optimize the physical IT infrastructure of data centers by standardizing equipment and software. This allows more state agencies and departments to share server space and maximize the use of equipment and software. The most common requirements for hardware/software solicitations are the call for accessibility and scalability, which makes virtualization and cloud approaches popular.

- Past Opportunity **16409**: Oregon; Status- Awarded; Year- 2006
- Future Opportunity **70414**: Idaho; Status- Acquisitioning; Year- 2011

Data center IT services consolidation tries to standardize IT operations and improve performance in an environment where many individual state agencies and departments may pursue autonomous IT services. This approach maximizes the state's buying power for commodity technologies and services while eliminating redundant operations and procurements. The most frequent concern seen in data center solicitations has been reducing cost and increasing statewide operations efficiency.

- Past Opportunity **33878**: Virginia; Status- Awarded; Year- 2005
- Future Opportunity **58303**: Michigan; Status- Planning; Year- 2010

Analyst's Take

As the economic landscape improves for state governments, many data center consolidation efforts that were put on hold or canceled due to the high initial price tag could get a fresh look in 2012 and beyond. However, it's expected these data center consolidation plans may be procured differently from years before, such as using a phased or modular scheme and exploring creative funding options like public-private partnerships. Though slow over the past few years, this state IT initiative has not reached the end of the road just yet. Expect state data center consolidation projects to significantly pick up in the near future.

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