

GAO Highlights

Highlights of [GAO-24-106575](#), a report to congressional committees

Why GAO Did This Study

Though agencies spend more than \$100 billion annually on IT, the federal government has faced longstanding problems in its IT management. The statutory provisions commonly referred to as the Modernizing Government Technology Act established TMF to help address key challenges in modernizing federal information systems.

The act includes a provision for GAO to report biennially on TMF. This third report (1) identifies the approved TMF projects, amounts of funds awarded, and estimated and actual cost savings; (2) determines the extent to which agencies' completed projects met their cost savings estimates; and (3) determines the extent to which agencies have used full and open competition for projects involving acquisitions of custom-developed IT.

GAO analyzed and summarized TMF financial data and documentation associated with 37 projects awarded funds. In addition, GAO analyzed cost estimate documentation for these projects. For applicable completed projects, GAO compared the difference between estimated and realized cost savings to OMB's variance threshold of 10 percent.

GAO also analyzed contract documentation for the 22 projects that issued contracts between September 2021 and February 2023. GAO determined whether each contract was awarded using full and open competition or exceptions were appropriately documented, in accordance with the Competition in Contracting Act of 1984 and the Federal Acquisition Regulation. GAO also interviewed relevant agency officials.

View [GAO-24-106575](#). For more information, contact Carol C. Harris at (202) 512-4456 or harriscc@gao.gov

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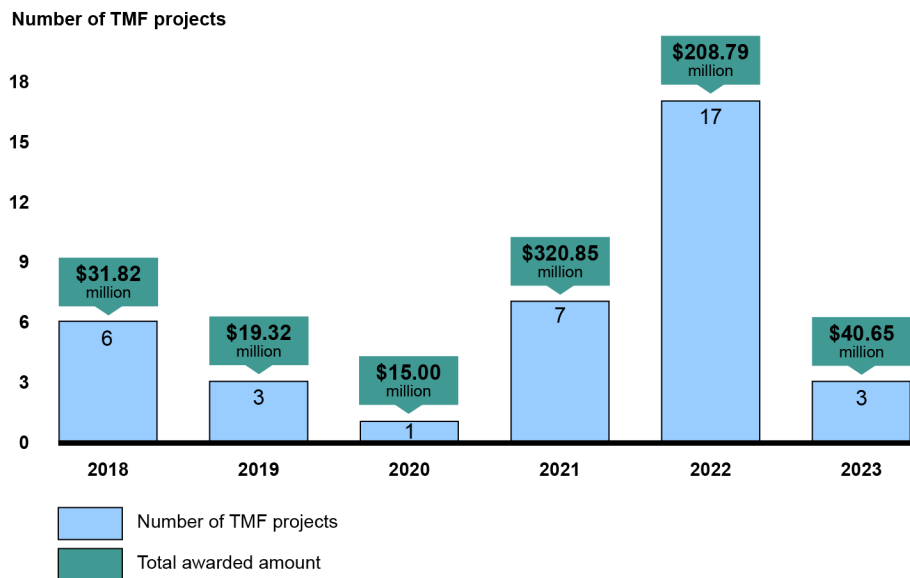
TECHNOLOGY MODERNIZATION FUND

Although Planned Amounts Are Substantial, Projects Have Thus Far Achieved Minimal Savings

What GAO Found

The Technology Modernization Fund (TMF) awards funding to agencies to, among other things, modernize aging federal information systems. As of February 2023, TMF had received approximately \$1.23 billion in appropriations, of which the Technology Modernization Board had awarded \$636 million to 37 projects (see figure). Of the 37 awarded projects, eight have realized cost savings totaling \$14.8 million; five of these anticipate further savings totaling \$2.6 million. An additional 16 projects anticipate \$738.6 million in combined savings. Thirteen projects neither anticipate nor have realized any cost savings.

Technology Modernization Fund (TMF) Project Awards as of February 2023



Source: GAO analysis of General Services Administration documentation. | GAO-24-106575

Of the seven projects that agencies had completed, two were on track with their savings (within the Office of Management and Budget's (OMB) 10 percent threshold), one was not on track, and one was anticipating cost avoidance rather than cost savings. For the remaining three projects, completion had not occurred within the prior 12 months. GAO determined that it would allow a full year of operations to occur before assessing savings.

As required under the Competition in Contracting Act of 1984, all procurements, with certain exceptions, must use full and open competition so that any qualified entity can submit an offer. From September 2021 through February 2023, 45 of 52 (87 percent) contracts used competitive procedures that are considered as achieving full and open competition. The remaining seven contracts were not competed using full and open competition, but appropriately documented authorized exceptions.