The Hidden Cost of Disconnected Federal Capital Program Management

A real-world ROI model for federal agencies adopting a modern project management solution

Where does risk exposure come from?

Risk area	Annual exposure	Cost share of $40M program
Contract administration / claims defensibility	$150,000	0.38 %
Payment integrity / invoice controls	$125,000	0.31%
Fragmented tools / duplicate systems	$50,000	0.13%
Manual workflow / reporting burden	$37,500	0.09%
Visibility and coordination gaps	$37,500	0.09%
Total	**$402,000**	**1.01%**

$402,000
Estimated annual cost exposure for a $40 million annual construction program

Up to $13 million
Estimated annual cost exposure for a $1 billion annual construction program

Federal agencies can expect to save 1% to 1.3% of annual capital construction spend with a modern project management system. For executive planning, saving 1% of overall project costs is a practical baseline.*

* Findings based on a combination of internal metrics and GAO research.

Anticipated risk exposure by program size

Annual construction volume	Number of projects	Typical annual avoidable cost exposure	High-end estimate of exposure
$25M	~3–4	$150K–$250K	up to ~$325K
$30M	~5	$180K–$300K	up to ~$400K
$100M	~10–15	$600K–$1.0M	up to ~$1.3M
$250M	~25–35	$1.5M–$2.5M	up to ~$3.3M
$500M	~50–70	$3.0M–$5.0M	up to ~$6.5M
$1B	~100+	$6.0M–$10.0M	up to ~$13.0M

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Reduce risk with a connected project and program management platform.

Learn about Kahua for federal government