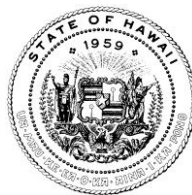


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'AINA



DEPT. COMM. NO. 140

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December 10, 2025

The Honorable Ronald D. Kouchi  
President of the Senate  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura  
Speaker and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha Senate President Kouchi, Speaker Nakamura, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within ten days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawai'i, Department of Commerce and Consumer Affairs, Business Registration Modernization Project.

In accordance with HRS section 93-16, this report may be viewed electronically at <http://ets.hawaii.gov> (see "Reports").

Sincerely,

Christine M. Sakuda  
Chief Information Officer  
State of Hawai'i

Attachment



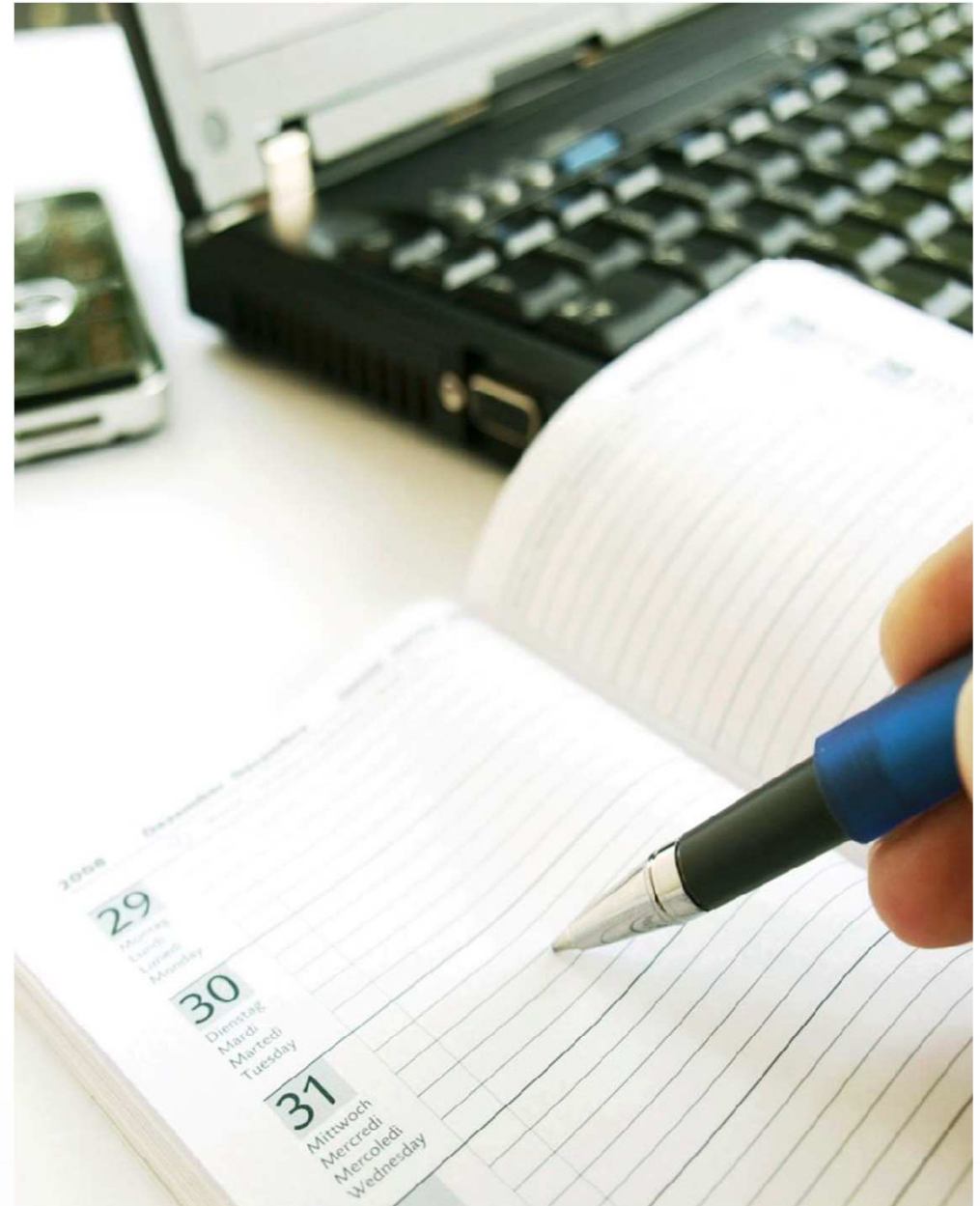
# Hawaii Department of Commerce and Consumer Affairs Business Registration Modernization (BRM) Project

IV&V Status Report - FINAL

Reporting Period: November 1 – 30, 2024

# Overview

- Executive Summary
- Dashboard
- IV&V Findings and Recommendations
- IV&V Approach and Methodology
- Appendices
  - A – IV&V Assessment Inputs
  - B – IV&V Criticality Ratings
  - C – Findings Log



# Executive Summary

*The project remains on hold as the project evaluates options for moving forward. The SI is in the process of negotiating the release of its current subcontractor (AST) and plans to secure a replacement. IV&V recommends leveraging lessons learned from past subcontractor challenges to conduct thorough due diligence in selecting a new subcontractor, address project issues, and make necessary course corrections.*

*The project plans to ultimately go live with a minimum viable product (MVP) and utilize its existing funded Maintenance & Operations (M&O) contract to prioritize and implement additional features after go-live. While this approach delivers the system to users earlier, it carries the risk of reduced user buy-in and frustration if their expectations for the new system are not met. Additionally, projects following an MVP approach often face prolonged enhancement cycles, delaying the transition to routine maintenance and leaving the system feeling perpetually unfinished.*

*The project intends to continue to leverage project lessons learned going forward, including extending User Acceptance Testing (UAT) to minimize bugs and to assure they are getting the system they want. IV&V remains concerned that challenges with data conversion and document migration could result in unanticipated delays, increased costs, and reduced system quality. IV&V recommends that the SI take proactive measures to address these issues early to mitigate these risks. IV&V continues to recommend that the project maintain clear and effective communication with stakeholders to keep them informed about project developments.*

## PROJECT ASSESSMENT

NOVEMBER 2024

### SUMMARY RATINGS

#### OVERALL RATING

R

PEOPLE

Y

PROCESS

R

TECHNOLOGY

Y

#### CRITICALITY RATINGS

R

HIGH

Y

MEDIUM

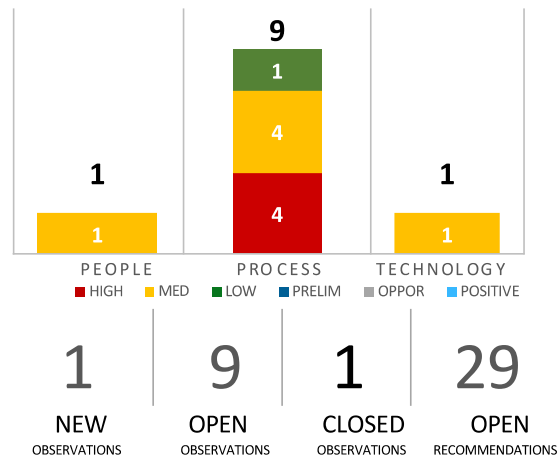
G

LOW

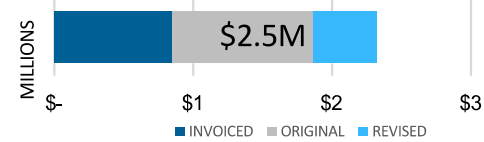
NA

N/A

## IV&V FINDINGS

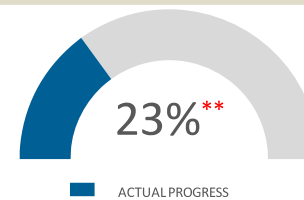


## PROJECT BUDGET \*



\* Only includes contracts received. IV&V unable to validate total budget.

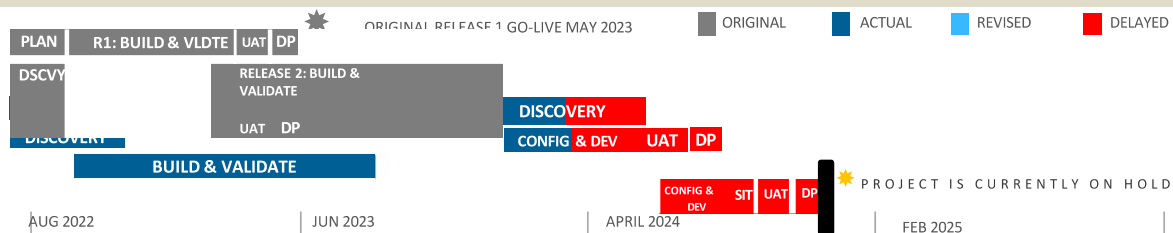
## PROJECT PROGRESS



\*\* Updated % completion not available due to project on hold.

## KEY PROGRESS & RISKS

- The project remains on hold as the project evaluates options for moving forward.
- The SI is in the process of negotiating the release of its current subcontractor (AST) and plans to secure a replacement.
- The project plans to ultimately go live with a minimum viable product (MVP) and utilize its existing funded Maintenance & Operations (M&O) contract to prioritize and implement additional features after go-live.
- IV&V recommends that the SI take proactive measures to address data and document conversion issues early to mitigate previously realized risks.



# BRM PROJECT

SEPT	OCT	NOV	IV&V ASSESSMENT AREA	IV&V SUMMARY
Y	Y	Y	<b>People</b> Team, Stakeholders, & Culture	<p>IV&amp;V continues to recommend that the project maintain clear and effective communication with stakeholders to keep them informed about project developments to help prevent rumors and misinformation about the recent pause and the future of the project. BREG continues to report that their staff remain invested in the project and are willing to "push through" despite the potential for fatigue. IV&amp;V continues to recommend the SI prioritize the allocation of high-quality SI resources to prevent further project missteps, avoid overburdening BREG SMEs, and expedite system development to recover lost time as the project restarts.</p>
Y	R	R	<b>Process</b> Approach & Execution	<p>BREG leadership is working closely with the SI to determine the post-pause course corrections for moving forward after the pause. The SI is in the process of negotiating the release of its current subcontractor (AST) and is performing due diligence to secure a replacement and avoid challenges experienced with the previous subcontractor.</p> <p>The project plans to ultimately go live with a minimum viable product (MVP) and utilize its existing funded Maintenance &amp; Operations (M&amp;O) contract to prioritize and implement additional features after go-live. While this approach delivers the system to users sooner, it carries the risk of reduced user buy-in and frustration if their expectations for the new system are not met. Additionally, projects following an MVP approach often face prolonged enhancement cycles, delaying the transition to routine maintenance and leaving the system feeling perpetually unfinished.</p> <p>IV&amp;V remains concerned that if corrective action plans are not adequately developed and implemented effectively, project failure may be at risk.</p>



# BRM PROJECT

SEPT	OCT	NOV	IV&V ASSESSMENT AREA	IV&V SUMMARY
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NA

Y

Y

## Technology

System, Data, &  
Security

IV&V remains concerned that the SI may have postponed addressing conversion challenges, did not fully staff their conversion team with adequately skilled resources, and has not yet articulated a sufficient approach for conversion. With the pause, IV&V recommends the SI take proactive measures to address data and document conversion issues early to mitigate previously realized risks.



# **IV&V Findings and Recommendation**

Summary of IV&V Open Findings



# IV&V Findings and Recommendations

## Summary of IV&V Open Findings

Category	Type	#	Finding Title	Criticality
People	Risk	25	Intermittent project pauses and other SI challenges could diminish BREG SMEs' motivation and commitment to project activities, potentially resulting in additional delays and decreased system quality.	M
Process	Issue	22	The failure to capture and integrate lessons learned from earlier project phases and restarts, is leading to the repetition of the same project challenges.	H
	Issue	21	A lack of agreement on a path forward and the critical changes needed for course correction, may hinder the likelihood of overall project success and result in the recurrence of the same project issues.	H
	Issue	19	Project is lacking rigorous schedule management practices which may impact the ability to properly manage resources, quality, and timeliness of project execution.	M
	Issue	20	Unclear sprint planning and execution may result in misalignment of sprint goals and objectives, low quality of work, and potential rework.	H

# IV&V Findings and Recommendations

## Summary of IV&V Open Findings

Category	Type	#	Finding Title	Criticality
Process	Issue	12	Current risk management processes aren't communicating risks or executing risk mitigating tasks early enough which may impact project scope, schedule, and costs.	M
	Issue	13	Untimely and insufficient completion of project management responsibilities may impact effective project execution.	M
	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	M
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	M
Technology	Risk	16	The lack of a formal governance structure to oversee multiple applications in a single Salesforce organization may lead to errors with application development, data management, integration, maintenance, and operations of the applications.	M
	Risk	26	Challenges with data conversion and document migration could create project delays and negatively impact system quality.	M

# IV&V Findings and Recommendations

## People

#	Key Findings	Criticality Rating
25	<b>Risk</b> - Intermittent project pauses and other SI challenges could diminish BREG SMEs' motivation and commitment to project activities, potentially resulting in additional delays and decreased system quality.	M

Recommendations	Progress
<ul style="list-style-type: none"><li>BREG leadership make efforts to encourage and show appreciation to SMEs for their efforts on the project.</li></ul>	In progress
<ul style="list-style-type: none"><li>The SI prioritize the allocation of high-quality SI resources to the project going forward so as to prevent further project missteps, avoid overburdening BREG SMEs, and expedite system development to recover lost time.</li></ul>	In progress
<ul style="list-style-type: none"><li>The project disseminate comprehensive Organizational Change Management (OCM) communications to stakeholders, aimed at preventing rumors and misinformation. These communications can provide clarity on the challenges the project encountered and outlining the strategy to get back on track. If appropriate, reaffirm leadership's dedication to project success and affirmation of SME's who have dedicated their time and efforts thus far.</li></ul>	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
22	<b>Issue</b> —The failure to capture and integrate lessons learned from earlier project phases and restarts, is leading to the repetition of the same project challenges:	H

Recommendations	Progress
<ul style="list-style-type: none"> <li>Conduct formal lessons learned meetings. Encourage open and honest discussion so stakeholders share their experiences and perspectives on what could have been done differently and what they learned. Analyze the collected information, look for common themes, and identify the root causes of issues that need to be addressed</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Incorporate lessons learned and any resulting actions into the new revised schedule and processes. Prioritize based on relevance to upcoming activities. Develop high-level timeline and tasks for addressing deficiencies and begin tracking progress.</li> </ul>	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
21	<b>Issue</b> - A lack of agreement on a path forward and the critical changes needed for course correction, may hinder the likelihood of overall project success and result in the recurrence of the same project issues	H

Recommendations	Progress
<ul style="list-style-type: none"> <li>Improve communication and collaboration. Establish clear communication channels and protocols to ensure that project stakeholders are on the same page. Obtain agreement on project status reports and metrics to help keep everyone informed with the relevant and valuable information to monitor if the project is on track.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Develop an action plan to achieve project success. Review lessons learned from previous sprints and develop a plan to prevent the same issues from recurring. Determine root causes of issues identified by BREG and identify actions and responsibilities to address the causes.</li> </ul>	Not started

# IV&V Findings and Recommendations


## Process

#	Key Findings	Criticality Rating
19	<b>Issue</b> - Project is lacking rigorous schedule management practices which may impact the ability to properly manage resources, quality, and timeliness of project execution.	M

Recommendations	Progress
<ul style="list-style-type: none"> <li>In accordance with PMBOK 4.2.3.1, the project management plan is a critical project management document. Carefully review the revised timelines, requested resources, and unfinished work remaining and complete the approval process. Any issues that arise from subsequent demos should be documented in the appropriate feedback log.</li> </ul>	Not started
<ul style="list-style-type: none"> <li>Improve the project schedule by creating a WBS broken down into smaller, more manageable components. Provide the appropriate detail of tasks, durations, due dates, milestones, and key work products. Both DCCA- and Pacxa-assigned tasks and resources should be clearly reflected in the project schedule, including data validation and user acceptance testing. Obtain agreement on the baseline schedule and then hold parties accountable for tasks and deadlines.</li> </ul>	Not started
<ul style="list-style-type: none"> <li>Assess the need for additional Pacxa resources for project management support. The current Pacxa project manager is actively facilitating functional design sessions and other key activities, which may impact his ability to focus on project management execution.</li> </ul>	Not started

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
20	<b>Issue</b> - Unclear sprint planning and execution may result in misalignment of sprint goals and objectives, low quality of work, and potential rework.	

Recommendations	Progress
<ul style="list-style-type: none"> <li>Modify the reported performance metrics. To properly assess if development is on track the burndown chart needs to show the total story points (user stories or requirements) divided by the remaining sprints where at the end of the sprints, there are no story points (user stories or requirements) remaining. Furthermore, consider adding this metric to the 'Velocity' table. In this way, the actual 'story pts done' to planned velocity will show the comparative project development progress.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Implement Agile ceremonies such as daily stand-ups, sprint planning, sprint review, and retrospective meetings. These meetings will help to promote transparency and communication among team members and ensure that everyone is aligned with the goals and objectives of the sprint. Provide more sprint reporting such as burn-down charts, velocity, and test summary reports.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Evaluate if the remaining number of sprints is realistic and achievable. Consider if the number of backlog items left to complete, the team's velocity, the complexity of the remaining items, any dependencies, and any external factors could impact the team's ability to complete the work in the number of remaining sprints.</li> </ul>	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
12	<b>Issue</b> - The lack of a formal governance structure to oversee multiple applications in a single Salesforce organization may lead to errors with application development, data management, integration, maintenance, and operations of the applications.	M

Recommendations	Progress
<ul style="list-style-type: none"> <li>Adding risks provided in the IV&amp;V reports helps to ensure that other identified issues, concerns, and observations are properly discussed and decisioned.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Foster an open, transparent culture where it is safe and comfortable to discuss risks. Foster a culture of having candid dialogue, discussing potential risks, asking difficult questions, and holding each other accountable.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>In instances where changes are unavoidable, the project team should initiate change management processes early. Risks, costs, schedule, and quality impacts should be assessed and clearly communicated.</li> </ul>	In progress



# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
13	<b>Issue</b> - Untimely and insufficient completion of project management responsibilities may impact effective project execution.	M

Recommendations	Progress
<ul style="list-style-type: none"> <li>Clarify roles and expectations of DCCA PM. Clarify and prioritize purpose and expectations of project manager contracted services in light of project risks and lessons learned</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Develop a project schedule to manage Aalta tasks and deliverables. Provide the appropriate detail of tasks, durations, due dates, milestones, and deliverables. Consider either developing a separate schedule or incorporating it into Pacxa's project schedule.</li> </ul>	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
6	<b>Risk</b> - A lack of quantitative success metrics may lead to differences in the interpretation of project success.	M

Recommendations	Date
<ul style="list-style-type: none"> <li>Formalize measurable goals and success metrics. Consider financial, nonfinancial, tangible, and intangible metrics such as operational key performance indicators (KPIs), customer or employee satisfaction, user adoption, return on investment, or cycle or processing times. Consider benefits realization management objectives as well as alignment to BREG goals</li> </ul>	In progress
<ul style="list-style-type: none"> <li>Collect baseline data and monitor progress. Consider methods for collecting data such as process mining, surveys, queries, observation, or open forums. Consider sources of data such as legacy systems, operations, and internal and external stakeholders.</li> </ul>	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
17	<b>Risk</b> - Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	M
Recommendations		Progress
<ul style="list-style-type: none"> <li>Improve the execution of the project's quality plans. Clarify the project team's quality roles and responsibilities and assign specific quality tasks. Increase the frequency of quality reports to monitor adherence to quality standards. If quality standards are not being met, document the gap and the quality improvements that need to be made, and take corrective action.</li> </ul>		Not started
<ul style="list-style-type: none"> <li>Conduct periodic technical reviews to increase visibility of development best practices. Consider discussing development practices updates and key development metrics (e.g., % of configuration using out-of-the-box features; % of code customized, % of apex code considered to be high complexity, etc.) at technical reviews. Consider including technical SMEs from all stakeholder groups for meaningful review and feedback.</li> </ul>		Not started

# IV&V Findings and Recommendations

## Technology

#	Key Findings	Criticality Rating
16	<b>Risk</b> - The lack of a formal governance structure to oversee multiple applications in a single Salesforce organization may lead to errors with application development, data management, integration, maintenance, and operations of the applications.	M

Recommendations	Progress
<ul style="list-style-type: none"> <li>• Create a plan and assign responsibilities to develop a formal governance structure. Determine the governance structure, policies, and guidelines that will govern the development, change management, issue resolution, security, maintenance, and operations of the applications.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>• Clearly define the scope of the governance structure, which applications it will oversee, and what activities it will cover.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>• Identify all stakeholders who will be impacted by the governance structure.</li> </ul>	In progress
<ul style="list-style-type: none"> <li>• Determine the governance structure, policies, and guidelines that will govern the development, change management, issue resolution, security, maintenance, and operations of the applications.</li> </ul>	In progress

# IV&V Findings and Recommendations

## Technology

#	Key Findings	Criticality Rating
26	<b>Risk</b> - Challenges with data conversion and document migration could create project delays and negatively impact system quality.	M

Recommendations	Progress
• SI acquire highly skilled data conversion and DocuSign specialist.	Not started
• SI prioritize data conversion planning and develop a clear, detailed approach and realistic timeline for moving forward.	Not started
• SI prioritize implementing a proof of concept for migrating legacy documents into DocuSign to assure the solution will fully meet BREG's needs.	Not started

# Appendices




# Appendix A – IV&V Inputs

## **IV&V activities performed during the reporting period:**

- Risk review meetings with BREG
- BREG project leadership meetings

# Appendix B – IV&V Criticality Ratings

See definitions of Criticality Ratings below:

Criticality Rating	Definition
	A high rating is assigned if there is a possibility of substantial impact to product quality, scope, cost, or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
	A medium rating is assigned if there is a possibility of moderate impact to product quality, scope, cost, or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be evaluated and implemented as soon as feasible.
	A low rating is assigned if there is a possibility of slight impact to product quality, scope, cost, or schedule. Minimal disruption is likely and some oversight is most likely needed to ensure that the risk remains low. Mitigation strategies should be considered for implementation when possible.



## Appendix C – Findings Log

*The final findings log has been provided as a separate spreadsheet.*

The background is a solid blue color. It is decorated with several white-outlined squares of various sizes and some semi-transparent blue squares. On the left side, there is a cluster of white-outlined squares, including a large one at the top and several smaller ones below it. On the right side, there is a single white-outlined square in the upper half and a line that starts from the bottom right corner and extends upwards and to the left, ending near the bottom right square.

# **IV&V Approach and Methodology**

# IV&V Approach and Methodology

- What is Independent Verification and Validation (IV&V)?
  - The goal of IV&V is to help DCCA implement a solution that meets user requirements and is built according to best practices
  - IV&V services are provided by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders
  - IV&V helps improve project visibility, identify potential project challenges, and provide risk mitigation strategies to address project risks and issues
- PCG IV&V Methodology
  - Consists of a 4-part process made up of the following areas:
    1. **Discovery** – Discovery consists of reviewing documentation, work products and deliverables, interviewing project team members, and determining applicable standards, best practices and tools
    2. **Research and Analysis** – Research and analysis is conducted in order to form an objective opinion.
    3. **Clarification** – Clarification from project team members is sought to ensure agreement and concurrence of facts between the State, the Pacxa Contractor, and PCG.
    4. **Delivery of Findings** – Findings, observations, and risk assessments are documented in this report and an accompanying Findings Log. IV&V reports are point-in-time documents with findings accurate as of the last day in the reporting period. These documents are shared with the State and ALIAS Contractor project leadership for review and consideration.



**Solutions that Matter**