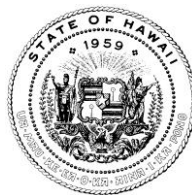


JOSH GREEN, M.D.
GOVERNOR
KE KIA'AINA



DEPT. COMM. NO. 143

KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA
CHIEF INFORMATION OFFICER
LUNA 'ENEHANA

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES
KE'ENA HO'OLANA 'ENEHANA

P.O. BOX 119, HONOLULU, HAWAII 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

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.

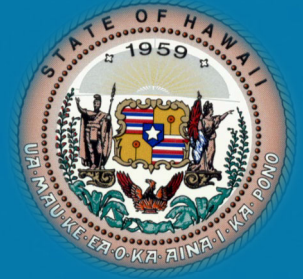
In accordance with HRS section 93-16, this report may be viewed electronically at <http://ets.hawaii.gov> (see "Reports").

Sincerely,

A handwritten signature in blue ink, appearing to read "CSakuda".

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

Attachment



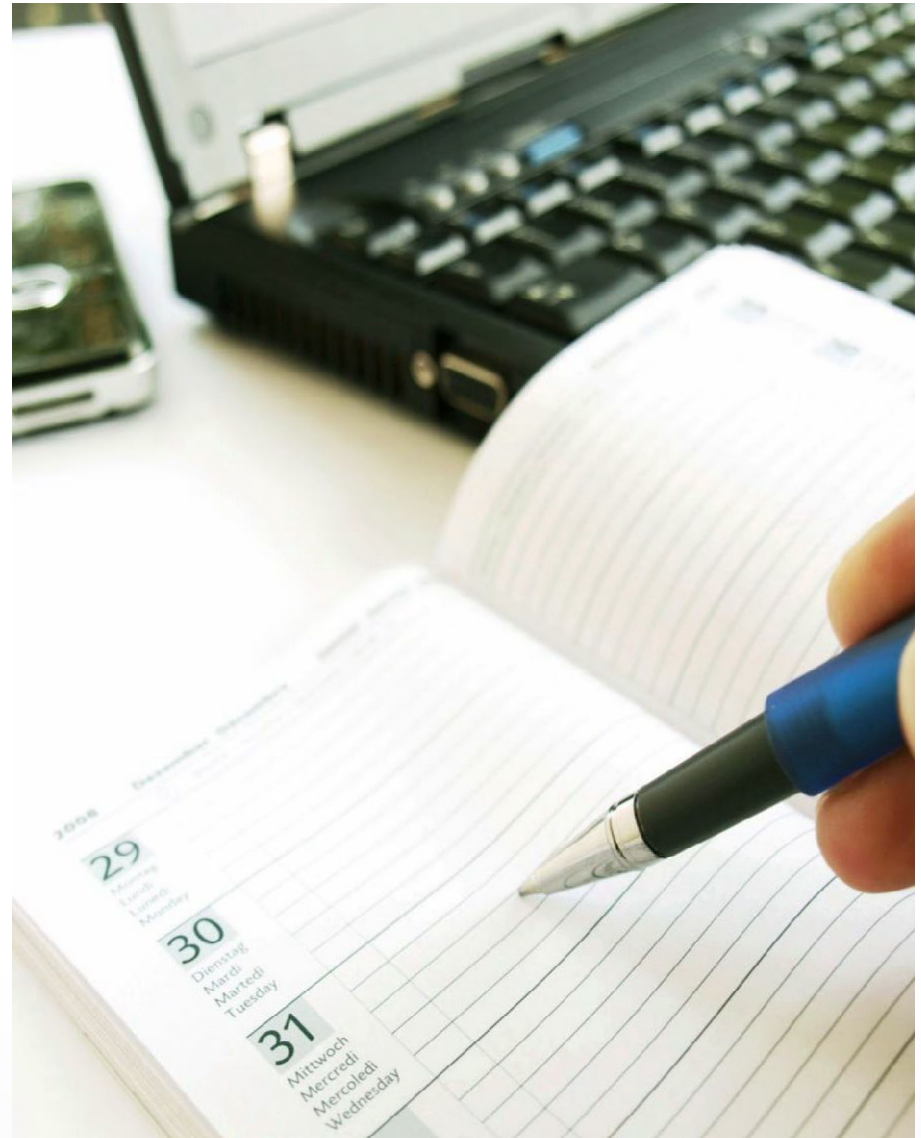
Hawaii Department of Commerce and Consumer Affairs Business Registration Modernization (BRM) Project

IV&V Status Report - FINAL

Reporting Period: February 1 – 28, 2025

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

After several months of being on hold, the project formally resumed on February 20, 2025. The project is now underway with the SI's new subcontractor (Aalta) driving development of the new system. The SI has elaborated on their plans to address previous project challenges and enhance project execution. Consequently, IV&V has closed several findings that were linked to challenges experienced by the previous subcontractor.

The project remains optimistic that they can achieve an October 2025 go-live date. BREG leadership remains optimistic that Aalta's substantial involvement in this project over the past two and a half years positions them well to effectively address the challenges the project has encountered thus far. The SI is in the process of performing discovery and drafting key project deliverables, including a baselined schedule. Once these are available IV&V will be able to provide better assessments of project risk.

IV&V remains concerned that challenges with data conversion and document migration could continue to negatively impact the project and with the lack of progress in establishing and implementing a formal governance framework to ensure all vendors working within the shared Salesforce instance adhere to consistent standards and practices, minimizing the risk of unintended impacts to other Salesforce applications.

Note: IV&V has removed older findings log updates and recommendations from the findings log. Please refer to previous IV&V reports for archived updates and recommendations. IV&V has also revised several recommendations.

PROJECT ASSESSMENT

FEBRUARY 2025

SUMMARY RATINGS

OVERALL RATING



PEOPLE



PROCESS



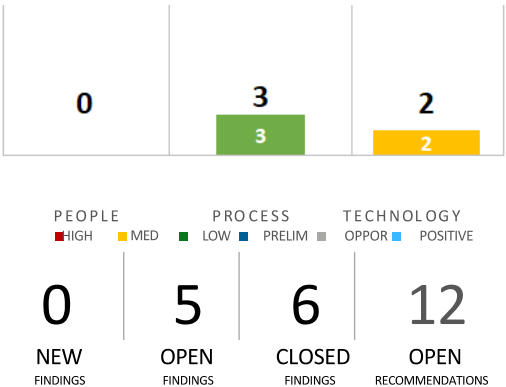
TECHNOLOGY



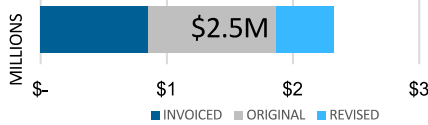
CRITICALITY RATINGS



IV&V FINDINGS



PROJECT BUDGET



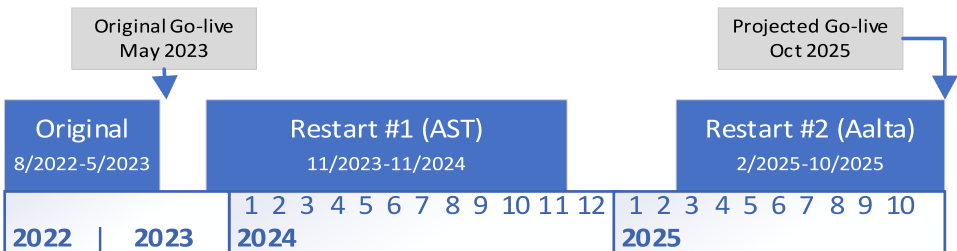
* Only includes contracts received. IV&V unable to validate total budget.

PROJECT PROGRESS

As part of the recent restart, the project is in the process of reassessing actual progress

KEY PROGRESS & RISKS

- After several months of being on hold, the project resumed on February 20, 2025, and plans to go-live on October 2025.
- The SI is in the process of performing discovery and drafting key project deliverables.
- IV&V has closed several findings that were linked to challenges experienced by the previous subcontractor; overall project rating has been reduced to Yellow/Moderate.
- IV&V recommends that the SI take proactive measures to address data and document conversion issues early to mitigate previously realized risks.



BRM PROJECT

DEC	JAN	FEB	IV&V ASSESSMENT AREA	IV&V SUMMARY
Y	Y	G	People Team, Stakeholders, & Culture	<p>The BREG project team members continue to remain optimistic that SI's new subcontractor's (Aalta) substantial involvement in this project over the past two and a half years positions them well to effectively address the challenges the project has encountered thus far and ultimately meet their expectations for a quality system. Therefore, IV&V has lowered this assessment area risk to Green/Low. IV&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 future of the project.</p>
R	R	Y	Process Approach & Execution	<p>Now that the SI's new subcontractor (Aalta) is driving development of the new system, the SI has redefined several project processes to address previous challenges the project has faced. Therefore, IV&V has lowered this assessment area risk to Yellow/Moderate. The SI has elaborated on their plans to address project challenges and enhance project execution but have yet to provide comprehensive documented details of their approach. The SI has submitted a preliminary project management plan (PMP) outlining some of these details and have stated their intention to provide additional content in the coming months. The SI has also committed to submitting other key project deliverables sometime near the first week of April 2025.</p>



BRM PROJECT

DEC

JAN

FEB

IV&V ASSESSMENT
AREA

IV&V SUMMARY

Y

Y

Y

Technology

System, Data, &
Security

The SI has stated their intention to take steps to mitigate the multi-vendor governance risk. For example, though they will use the same Salesforce instance (i.e., single org), the SI has stated their intention to avoid the use of any Salesforce objects utilized by other divisions. IV&V remains concerned about the lack of progress in establishing and implementing a formal governance framework to ensure all vendors working within the shared Salesforce instance adhere to consistent standards and practices, minimizing the risk of unintended impacts to other Salesforce applications.

The SI has reiterated their intention to make early efforts to address data and document conversion challenges and that they have expert level resources assigned to the project that should assure a smooth data/document conversion phase.



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.	CLOSING
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.	CLOSING
	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.	CLOSING
	Issue	19	Project is lacking rigorous schedule management practices which may impact the ability to properly manage resources, quality, and timeliness of project execution.	CLOSING
	Issue	20	Unclear sprint planning and execution may result in misalignment of sprint goals and objectives, low quality of work, and potential rework.	CLOSING

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.	
	Issue	13	Untimely and insufficient completion of project management responsibilities may impact effective project execution.	CLOSING
	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	
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.	
	Risk	26	Challenges with data conversion and document migration could create project delays and negatively impact system quality.	

IV&V Findings and Recommendations

People

#	Key Findings	Criticality Rating
25	<p>Risk - 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.</p> <p><i>BREG leadership continues to report that their staff remain optimistic and invested in the project and are willing to "push through" despite the potential for fatigue. Therefore, IV&V has closed this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
22	<p>Issue—The failure to capture and integrate lessons learned from earlier project phases and restarts, is leading to the repetition of the same project challenges:</p> <p><i>The project appears to have made good efforts to leverage lessons learned to address project challenges experienced by the previous subcontractor. Therefore, IV&V has closed this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
21	<p>Issue - 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</p> <p><i>Given that this finding was likely linked to the previous subcontractor, IV&V has closed this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
19	<p>Issue - Project is lacking rigorous schedule management practices which may impact the ability to properly manage resources, quality, and timeliness of project execution.</p> <p><i>Given that this finding was likely linked to the previous subcontractor schedule management practices, IV&V has closed this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
20	<p>Issue - Unclear sprint planning and execution may result in misalignment of sprint goals and objectives, low quality of work, and potential rework.</p> <p><i>Given that this finding was likely linked to the previous subcontractor software development methods and practices, IV&V has closed this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
12	Issue - Current risk management processes aren't communicating risks or executing risk mitigating tasks early enough which may impact project scope, schedule, and costs.	G

Recommendations	Progress
<ul style="list-style-type: none"> Document and implement detailed risk mitigation plans, drawing on lessons learned from past vendor missteps, to prevent recurring issues. 	In progress
<ul style="list-style-type: none"> Regularly review risks and mitigation steps with the project team. 	In progress

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
13	<p>Issue - Untimely and insufficient completion of project management responsibilities may impact effective project execution.</p> <p><i>The SI has provided additional details about their project management approach and has selected two resources with extensive BRM project knowledge to lead the PM effort. Both individuals have been involved since the early stages of the project. Therefore, IV&V is closing this finding.</i></p>	CLOSING

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
6	Risk - A lack of quantitative success metrics may lead to differences in the interpretation of project success.	G

Recommendations	Date
<ul style="list-style-type: none"> 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 	In progress
<ul style="list-style-type: none"> 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. 	In progress

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
17	Risk - Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	G
Recommendations		Progress
<ul style="list-style-type: none"> Document details of the quality management strategy, plan, and activities in a Quality Management Plan deliverable. 		In progress
<ul style="list-style-type: none"> Regularly review and track quality metrics and activities with the project team to assure the quality of project activities and assure the quality of system components. 		Not started

IV&V Findings and Recommendations

Technology

#	Key Findings	Criticality Rating
16	Risk - 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
• Develop and document a formal governance structure that supports multi-vendor Salesforce platform development.		In progress
• Clearly define the scope of the governance structure, stakeholder, which applications it will oversee, and what activities it will cover.		In progress
• Determine the governance structure, policies, and guidelines that will govern the development, change management, issue resolution, security, maintenance, and operations of the applications.		In progress

IV&V Findings and Recommendations

Technology

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

Recommendations	Progress
<ul style="list-style-type: none"> SI acquire highly skilled data conversion and DocuSign specialist. 	In progress
<ul style="list-style-type: none"> SI prioritize data conversion planning and develop a clear, detailed approach and realistic timeline for moving forward. 	In progress
<ul style="list-style-type: none"> 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 features several white-outlined squares of various sizes, some of which are partially cut off by the edges of the frame. There are also several semi-transparent blue squares scattered across the background. The title text is centered in the upper half of the image.

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