JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

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, HAWAI'I 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,

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

Attachment

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
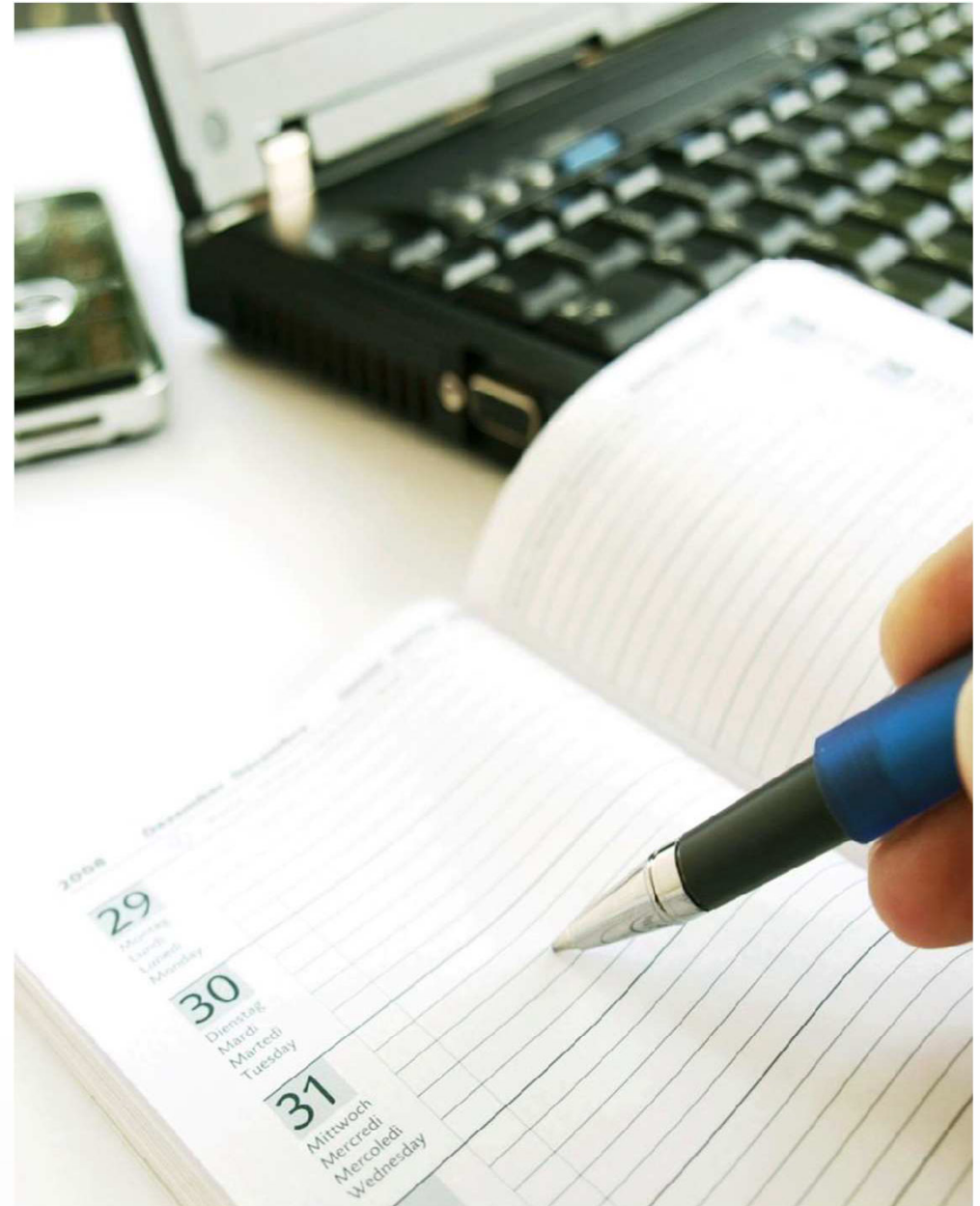
Executive Summary

Now that the project is underway with the new SI subcontractor (Aalta), the project team is actively engaged in various project activities. The SI is currently focused on discovery activities and has made progress toward validating requirements to ensure BREG and the SI reach agreement on the scope and intent of the contractually required requirements.

The SI plans to conclude the discovery phase and initiate Sprint 0 in early April, with several draft project deliverables expected through the end of April, providing further clarity on their approach.

The project remains optimistic that they can achieve an October 2025 go-live date, however, IV&V has concerns that this timeline could be overly ambitious. Still, the SI has stated they intend to deliver all contract requirements by go-live. BREG has stated they will seek to ensure the new system will at minimum mimic their existing system functionality as well as leverage newer, more mature technology for some improvements.

IV&V remains concerned that challenges with data conversion and document migration could continue to negatively impact the project.

PROJECT ASSESSMENT

MARCH 2025

SUMMARY RATINGS

OVERALL RATING

Y

PEOPLE — G

PROCESS — G

TECHNOLOGY — Y

CRITICALITY RATINGS

R — HIGH
Y — MEDIUM
G — LOW
NA — N/A

IV&V FINDINGS

1 — 1
3 — 3
2 — 2

PEOPLE: HIGH, MED
PROCESS: LOW, PRELIM
TECHNOLOGY: OPPOR, POSITIVE

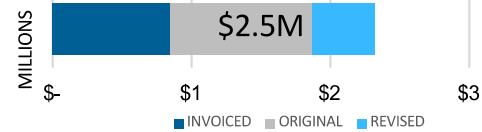| 1	6	0	12
NEW FINDINGS	OPEN FINDINGS	CLOSED FINDINGS	OPEN RECOMMENDATIONS

PROJECT BUDGET *

$2.5M

MILLIONS: $- , $1, $2, $3
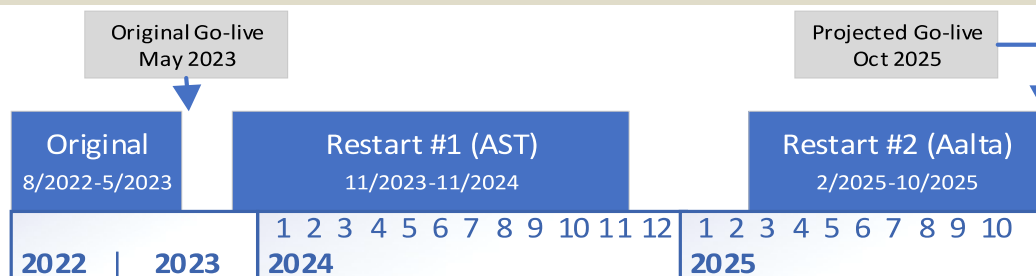
INVOICED, ORIGINAL, REVISED
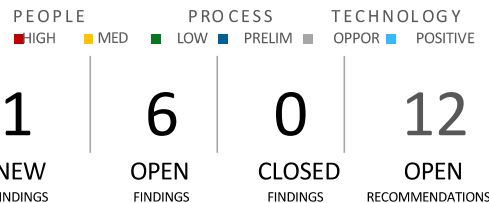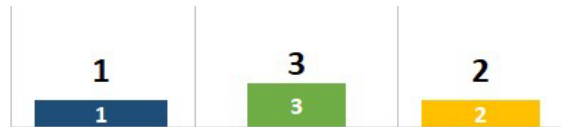
* Only includes contracts received. IV&V unable to validate total budget.

PROJECT PROGRESS

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

KEY PROGRESS & RISKS

- The project is making progress in requirements validation, discovery, and project documentation which are slated to be completed next month.

- IV&V has concerns that achieving the October 2025 go-live date may be overly ambitious considering challenges the project has faced thus far.

- IV&V recommends that the SI take proactive measures to address data and document conversion issues early to mitigate previously realized risks.

Original Go-live May 2023

Projected Go-live Oct 2025

Original 8/2022-5/2023

Restart #1 (AST) 11/2023-11/2024

Restart #2 (Aalta) 2/2025-10/2025

2022 | 2023

2024: 1 2 3 4 5 6 7 8 9 10 11 12

2025: 1 2 3 4 5 6 7 8 9 10

BRM PROJECT

JAN	FEB	MAR	IV&V ASSESSMENT AREA	IV&V SUMMARY
Y	G	G	**People** Team, Stakeholders, & Culture	The BREG project team remains optimistic with the projects progress thus far. BREG leadership continues to provide guidance to their staff that, when possible, project activities should be prioritized above operational duties. 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.
R	Y	Y	**Process** Approach & Execution	The SI is currently performing discovery activities and has made progress toward validating requirements to ensure BREG and the SI reach agreement on the scope and intent of the contractually required requirements. The SI plans to conclude the discovery phase and initiate Sprint 0 in early April, with several draft project deliverables expected through the end of April. These deliverables should provide important details on their approach and how they intend to mitigate challenges faced by previous SI subcontractors. The project remains optimistic that they can achieve an October 2025 go-live date, however, IV&V has concerns that this timeline could be overly ambitious. Still, the SI has stated they intend to fulfill all the original contract requirements by go-live. BREG has stated they will seek to ensure the new system will at minimum mimic their existing system functionality as well as leverage newer, more mature technology for some system improvements.

BRM PROJECT

Y   **Y**   **Y**

Technology
System, Data, & Security

The SI intends to deliver a draft Data Conversion & Document Migration Plan next month which should provide additional details of their approach. The new SI subcontractor remains confident they will be able to resolve conversion challenges faced by previous subcontractors, ensuring data conversion meets BREG expectations and does not lead to project delays.

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. DCCA is in the process of onboarding additional Salesforce vendors that will be implementing updates to other applications that will reside in the same Salesforce org as this project. which will increase the urgency for establishing DCCAs multi-vendor governance.

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
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.	G
	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	G
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	G
	Prelim Concern	27	Adoption of an aggressive schedule could lead to poor system quality, user frustration, stretch BREG resources beyond their capacity, bad press, and ultimately project delays and an increased budget.	N/A
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
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
• Document and implement detailed risk mitigation plans, drawing on lessons learned from past vendor missteps, to prevent recurring issues.	In progress
• Regularly review risks and mitigation steps with the project team.	In progress

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
• 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
• 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
• Document details of the quality management strategy, plan, and activities in a Quality Management Plan deliverable.	In progress
• 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
Process

#	Key Findings	Criticality Rating
27	**Prelim Concern** - Adoption of an aggressive schedule could lead to poor system quality, user frustration, stretch BREG resources beyond their capacity, bad press, and ultimately project delays and an increased budget.	N/A

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.	Ⓜ

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
• SI acquire highly skilled data conversion and DocuSign specialist.	In progress
• SI prioritize data conversion planning and develop a clear, detailed approach and realistic timeline for moving forward.	In progress
• 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
H	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.
M	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.
L	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.

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