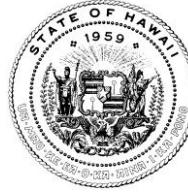


JOSH GREEN, M.D.
GOVERNOR
KE KIAĀINA



DEPT. COMM. NO. 115

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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,

A blue ink signature of Christine M. Sakuda.

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: April 1 – 30, 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

The SI appears to be making steady initial progress and has recently completed their first development sprint. The SI has also drafted several important project deliverables that continue to provide additional details of how they intend to implement the system.

BREG has reported that while their staff are reporting positive morale, staff are still operating at close to capacity and may be overextended at times in order to manage both operational duties as well as project tasks. They have also reported that some deliverable reviews were delayed due to capacity constraints among BREG reviewers. Therefore, IV&V has opened a new risk with regard to the potential over-allocation of BREG resources that could lead to project fatigue, schedule delays, and reduced system quality.

IV&V remains concerned that the current project schedule may be aggressive and has escalated a finding to that effect from a preliminary concern to a risk. Many stakeholders, including BREG and SI leadership, who have insights into the project, have stated the project schedule appears aggressive. The SI stated they are taking steps to mitigate this risk by onboarding another architect-level developer to increase their productivity and development velocity and have included buffers or slack into project schedule development tasks.

The DCCA Information Systems & Communications Office (ISCO) appears to be making some progress toward establishing their multi-vendor governance process for their shared Salesforce platform that the system is being built on. However, the SI plans to develop custom base objects that will replicate several standard Salesforce objects. The potential implications of this added complexity are uncertain, and IV&V remains concerned that this could lead to unforeseen challenges in platform management as well as unexpected bugs. The SI recently submitted a draft data conversion plan which provided additional details of how they intend to perform data conversion. IV&V and the ISCO are closely monitoring data conversion risks given that previous subcontractors faced significant challenges with this area.

IV&V has closed a finding related to insufficient risk management as the SI has recently submitted a revised Project Management Plan that includes a Risk Management Plan and has also instituted processes for logging, tracking, and managing risks.

PROJECT ASSESSMENT

APRIL 2025

SUMMARY RATINGS



OVERALL RATING



PEOPLE



PROCESS



TECHNOLOGY



CRITICALITY RATINGS



MEDIUM



LOW



N/A

IV&V FINDINGS



1 NEW FINDINGS 6 OPEN FINDINGS 1 CLOSED FINDINGS 17 OPEN RECOMMENDATIONS

PROJECT BUDGET *



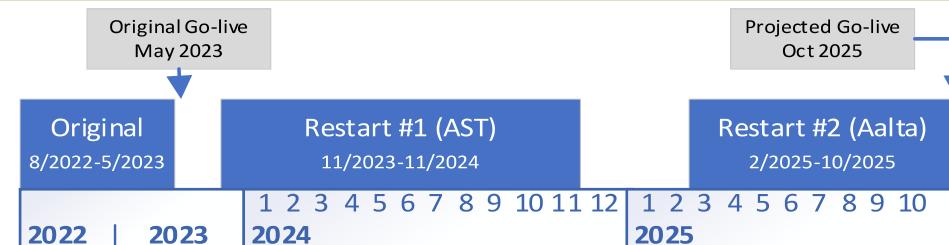
* Only includes contracts received. IV&V unable to validate total budget.

PROJECT PROGRESS

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

KEY PROGRESS & RISKS

- The project appears to be making steady progress and have recently completed their first development sprint.
- IV&V has opened a new risk with regard to over-allocation of BREG project members which could lead to project fatigue, schedule delays, and reduced system quality.
- IV&V remains concerned that achieving the October 2025 go-live date may be overly ambitious and has escalated this finding from a preliminary concern to a risk.
- ISCO appears to be making some progress toward establishing their multi-vendor governance process for their shared Salesforce platform that the system will be built on.



BRM PROJECT

FEB MAR APR IV&V ASSESSMENT IV&V SUMMARY
AREA

L	L	M	People Team, Stakeholders, & Culture	<p>BREG has reported that while their staff are reporting positive morale, staff are still operating at close to capacity and may be overextended at times in order to manage both operational duties as well as project tasks. They have also reported that some deliverable reviews were delayed due to capacity constraints among BREG reviewers. Therefore, IV&V has opened a new risk with regard to the potential over-allocation of BREG resources which could lead to project fatigue, schedule delays, and reduced system quality.</p> <p>Insufficient capacity among project resources to sufficiently address system and process improvements may compromise system quality. Delays in deliverable reviews and approvals due to BREG resource constraints could impact the project's critical path and delay the go-live date. Such delays may exacerbate other associated risks tied to an aggressive project schedule and also lead to increased licensing costs and unexpected SI cost increases.</p>	5
M	M	M	Process Approach & Execution	<p>The SI has recently completed their first development sprint and appears to be making steady progress toward their defined milestones. The SI has also drafted several important project deliverables that continue to provide additional details of how they intend to implement the system. IV&V remains concerned that the current project schedule may be aggressive and has escalated a finding to that effect from a preliminary concern to a risk. Many stakeholders, including BREG and SI leadership, who have insights into the project, have stated the project schedule may be aggressive. Further, some drafted project documentation may lack comprehensive details, likely due to the accelerated schedule and the urgency to get these completed before they create delays. The SI stated they are taking steps to mitigate this risk by onboarding another architect-level developer to increase their productivity and development velocity and have included buffers or slack into project schedule development tasks.</p> <p>IV&V has closed a finding related to insufficient risk management as the SI has recently submitted a revised Project Management Plan that includes a Risk Management Plan and has also established a process for logging, tracking, and managing risks.</p>	



BRM PROJECT

FEB MAR APR IV&V ASSESSMENT AREA

IV&V SUMMARY



Technology

System, Data, & Security

ISCO appears to be making some progress toward establishing their multi-vendor governance process for their shared Salesforce platform. However, the SI plans to develop custom base objects that will replicate several standard Salesforce objects. The potential implications of this added complexity are uncertain, and IV&V remains concerned that this could lead to unforeseen challenges in platform management as well as unexpected bugs.

The SI recently submitted a draft data conversion plan which provided additional details of how they intend to perform data conversion. IV&V and ISCO are closely monitoring this risk given that previous subcontractors faced significant challenges with this area.



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	28	Over-allocation of BREG project members could lead to project fatigue, schedule delays, and reduced system quality.	M
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.	Closing
	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	L
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	L
	Risk	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.	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
28	<p>Risk - Over-allocation of BREG project members could lead to project fatigue, schedule delays, and reduced system quality.</p> <p>BREG has reported that while their staff are reporting positive morale, staff are still operating at close to capacity and may be overextended at times in order to manage both operational duties as well as project tasks. They have also reported that some deliverable reviews were delayed due to capacity constraints among BREG reviewers.</p> <p>Inadequate resources or project team members struggling to balance operational duties alongside project responsibilities can result in project delays, diminished system quality, and reduced staff morale. Insufficient capacity among project resources to address system and process improvements may compromise system quality. Delays in deliverable reviews and approvals due to BREG resource constraints could impact the project's critical path and delay the go-live date. Such delays may exacerbate other associated risks tied to an aggressive project schedule and also lead to increased licensing and SI costs.</p>	M
Recommendations		Progress
<ul style="list-style-type: none">Consider ways to offload operational duties from BREG project team members to other staff.Closely monitor project team workload, morale, and capacity, and consider ways to load balance for those that are experiencing higher workloads.		In progress
		In progress

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.	Closing
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.Regularly review risks and mitigation steps with the project team.		In progress
		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.	L
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 goalsCollect 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
		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.	L
Recommendations		Progress
<ul style="list-style-type: none">Document details of the quality management strategy, plan, and activities in a Quality Management Plan deliverable.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.		In progress
		Not started

IV&V Findings and Recommendations

Process

#	Key Findings	Criticality Rating
27	Risk - 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.	M
Recommendations		Progress
<ul style="list-style-type: none">Take steps to assure sufficient OCM planning and activities are performed to manage user expectations and inform users of potential system limitations, known bugs, work arounds, and process changes, as a result of their aggressive schedule.Leadership take steps to closely monitor project team capacity and assure resources are not overallocated and operational and project duties are not significantly impacted.Carefully track to the project schedule critical path to assure project delay risks can be mitigated.		In progress
		In progress
		In progress

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
<ul style="list-style-type: none">Develop and document a formal governance structure that supports multi-vendor Salesforce platform development.Clearly define the scope of the governance structure, stakeholder, which applications it will oversee, and what activities it will cover.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
		In progress
		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 concepts (POC) for data conversion tasks, including a POC for migrating legacy documents into DocuSign to assure the solution will fully meet BREG's needs.		In progress

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