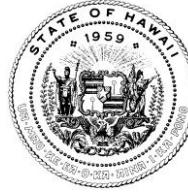


JOSH GREEN, M.D.
GOVERNOR
KE KIAĀINA



DEPT. COMM. NO. 6

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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: May 1 – 31, 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 project appears to be making good progress through the first three sprints and recently conducted their first sprint demo, showcasing early end-to-end functionality and the layout of several customer-facing portal pages.

The SI has submitted several deliverables that are currently awaiting BREG's review and sign-off. Included was a baselined project schedule which has a projected go-live date of November 2, 2025. Stakeholders continue to agree that the schedule may be aggressive; to mitigate this, the SI is incorporating schedule buffers and has onboarded additional development resources.

IV&V remains concerned that the evolving DCCA Salesforce (SF) multi-vendor governance and potential data conversion challenges could present some uncertainties that could ultimately impact the project schedule. ISCO continues to make progress with governance and has recently established a governance board made up of their SF vendors to provide a forum for communication and coordination for making changes to their SF platform. This could help minimize unexpected system bugs and vendors negatively impacting applications maintained by other vendors.

IV&V remains concerned about potential over-allocation of BREG project staff. BREG has stated they have few options for increasing staffing capacity, but they intend to implement mandatory overtime to help ensure that operational responsibilities are met alongside project-related work. Currently, the SI has not reported any project delays resulting from BREG resource constraints.

The project remains focused on meeting their go-live date and will largely replicate their existing legacy system on the more modern SF platform with minimal improvements. BREG intends to use maintenance and operations (M&O) funds post go-live for further improvements.

PROJECT ASSESSMENT

May 2025

SUMMARY RATINGS



OVERALL RATING



PEOPLE



PROCESS



TECHNOLOGY



CRITICALITY RATINGS



MEDIUM



LOW



N/A

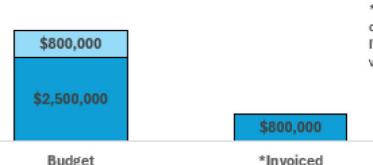
IV&V FINDINGS



0 NEW FINDINGS 6 OPEN FINDINGS 0 CLOSED FINDINGS 15 OPEN RECOMMENDATIONS

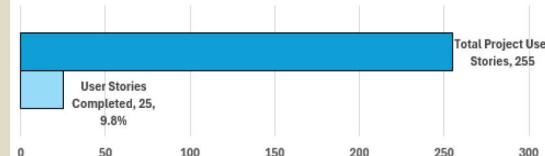
PROJECT BUDGET

■ Original Budget □ Amended \$



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

PROJECT PROGRESS



KEY PROGRESS & RISKS

- The project appears to be making good progress through the first three sprints and recently conducted the first system demo.
- IV&V remains concerned that achieving the November 2, 2025, go-live date may be overly ambitious. To mitigate, the SI has added development resources to the project.
- ISCO has formed an SI governance board to facilitate better multi-vendor governance and coordination.
- BREG staff are experiencing some challenges balancing project duties with regular work responsibilities.

TIMELINE



BRM PROJECT

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

L	L	M	People Team, Stakeholders, & Culture	BREG continues to report positive staff morale; however, staff are operating near capacity and may be overextended at times. BREG has stated they have limited options for increasing staff capacity to address potential resource constraints and is planning to implement mandatory overtime and intend to onboard new staff. While the SI has not reported any project delays due to BREG resource constraints to date, resource demands are expected to increase as the project approaches UAT and go-live phases.
M	M	M	Process Approach & Execution	<p>The SI conducted its first sprint demo, showcasing early end-to-end functionality, including the layout of several customer-facing portal pages and the entity list builder, which enables customers to download BREG datasets from the system.</p> <p>IV&V remains concerned that the project schedule may be aggressive. To help mitigate schedule-related risks, the SI has onboarded additional software development resources. Project delays could result in increased costs for BREG, including the potential extensions of licenses for legacy system components such as OpenText and Kofax.</p> <p>The SI has indicated that upcoming DEL 10 (Quality Management Plan) and DEL 11 (Quality Management Reports) may include data-driven success metrics intended to demonstrate project progress. Additionally, the SI delivered the Requirements Traceability Matrix (RTM) and intends to refine it, stating they will maintain it as a living document throughout the project.</p>



BRM PROJECT

FEB MAR APR IV&V ASSESSMENT AREA

IV&V SUMMARY



Technology

System, Data, & Security

IV&V remains concerned that the evolving DCCA Salesforce (SF) multi-vendor governance and potential data conversion challenges could present some uncertainties that could impact the project schedule. ISCO continues to make progress with governance and has recently established a governance board made up of their SF vendors to provide a forum for communication and coordination for making changes to their SF platform. This could help minimize unexpected system bugs and vendors negatively impacting applications maintained by other vendors.

The SI finalized the Data Conversion and Migration Strategy (DEL 02) deliverable, offering greater clarity on key components such as exception handling and data cleanup processes. They are continuing to provide additional details regarding their data and document migration approach; however, a proof of concept (POC) has not yet been demonstrated. IV&V and ISCO continue to monitor this area closely, as previous subcontractors encountered significant challenges with data migration.



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	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.		In progress
<ul style="list-style-type: none">Closely monitor project team workload, morale, and capacity, and consider ways to load balance for those that are experiencing higher workloads.		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
		In progress

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
- Risk review meetings with the SI
- BREG project leadership meetings
- BREG OCM meetings
- ISCO Salesforce governance meetings
- SI status report reviews
- System demo reviews
- SI deliverable document reviews

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.

Appendix D – Acronyms

<u>Acronym</u>	
BREG	Business Registration
BRM	Business Registration Modernization
DCCA	Department of Commerce and Consumer Affairs
ISCO	Information Systems & Communications Office
IV&V	Independent Verification and Validation
KPI	Key Performance Indicator
OCM	Organizational Change Management
PCG	Public Consulting Group
POC	Proof of Concept
SI	System Integrator

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