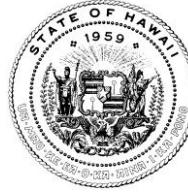


JOSH GREEN, M.D.  
GOVERNOR  
KE KIAĀINA



DEPT. COMM. NO. 7

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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: June 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 project appears to be making steady progress through sprint four and is currently in sprint five. The SI conducted a sprint four demo highlighting functionality related to forms, search and buy, as well as early case management and document creation features.*

*The SI is gaining a better understanding of their development velocity, which they hope will improve sprint planning and estimation accuracy. The SI has reported increased productivity since adding 3 development resources to their team and have also added 3 testers to accelerate testing velocity.*

*The SI was surprised to learn that the vendor supporting the DCCA payment system has been creating records in the new BRM system, potentially complicating data migration. Following a recent impact analysis, the SI concluded that this issue is likely to have a higher impact on the project than originally expected.*

*The SI appears to be making progress mitigating data and document migration risks and reported they have executed internal proofs of concept (POC) that included migrating a sampling of documents and data into the test environment.*

*ISCO continues to meet with the newly formed IT governance board supporting DCCA Salesforce applications and has stated that governance should be established by the time the BRM project enters User Acceptance Testing (UAT). IV&V remains concerned that the project does not have key project and system management documents (e.g. incident management plan, change management plan, and help desk management plan) that would be needed to effectively manage system incidents and changes during UAT and after go-live.*

*IV&V remains concerned that the SI's productivity could be slowed by external parties such as ISCO and DCCA's payment system vendor if information isn't provided or tasks are not completed in a timely manner.*

*The BREG project team continues to report high morale as they prepare for ad hoc testing of new system functionalities. Staff continue to operate near capacity and were recently required to work overtime to get caught up on operational duties they had fallen behind on. While the SI has not reported any delays due to BREG resource constraints, IV&V remains concerned that staff operating at full capacity may face challenges in supporting upcoming testing and other project activities.*



## PROJECT ASSESSMENT

June 2025

### SUMMARY RATINGS

#### OVERALL RATING



#### PEOPLE



#### PROCESS



#### TECHNOLOGY



#### CRITICALITY RATINGS



MEDIUM



N/A

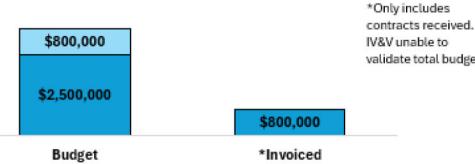
### IV&V FINDINGS



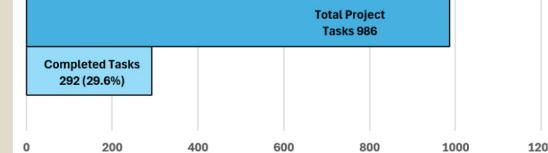
0 NEW FINDINGS      6 OPEN FINDINGS      0 CLOSED FINDINGS      15 OPEN RECOMMENDATIONS

### PROJECT BUDGET

Original Budget      Amended \$



### PROJECT PROGRESS



### KEY PROGRESS & RISKS

- The project appears to be making steady progress through sprint 4 and is currently in sprint 5. The SI has reported increased productivity since adding 3 resources to the development team.
- The SI was surprised to learn that the payment system vendor was performing some activities that impacted the BRM system. An SI impact analysis concluded this will likely have a higher impact than originally expected.
- IV&V remains concerned with the overall lack of good DCCA Salesforce platform governance processes.

### TIMELINE



# BRM PROJECT

APR   MAY   JUNE   IV&V ASSESSMENT   IV&V SUMMARY  
AREA

<span>M</span>	<span>M</span>	<span>M</span>	<b>People</b> Team, Stakeholders, & Culture	<p>BREG has reported that their project team continues to maintain good morale, and the SI has not indicated any delays due to BREG resource constraints. However, project responsibilities could be impacting the team's ability to keep up with operational duties, with some members reporting they are falling behind. To address this and ensure continued delivery of required customer service levels, BREG recently implemented a mandatory overtime policy for two Saturdays in June and will continue to assess whether additional overtime will be required. BREG continues to take steps to maintain adequate staffing levels and plans to onboard two additional team members. However, IV&amp;V remains concerned that current staff are operating at full capacity, which may pose challenges in meeting the demands of upcoming testing and other project activities.</p>
<span>M</span>	<span>M</span>	<span>M</span>	<b>Process</b> Approach & Execution	<p>The SI is gaining a better understanding of development velocity, which they hope will improve sprint planning and the accuracy of user story and development task estimation. The SI has reported increased productivity since adding 3 resources to their development team and are now tracking development progress using development tasks instead of just user stories. To date, they have completed 292 of the total 986 development tasks (approximately 30%). The SI has also added 3 testers to their team to increase their testing velocity.</p> <p>IV&amp;V remains concerned that the SI productivity could be slowed by external parties such as ISCO and DCCA's payment system vendor if information isn't provided or tasks are not completed by them in a timely manner.</p>



# BRM PROJECT

APR   MAY   JUNE   IV&V ASSESSMENT AREA

IV&V SUMMARY



## Technology

System, Data, & Security

The SI was surprised to learn that the vendor supporting the DCCA payment system has been creating records in the new BRM system which will now likely complicate data migration because they will have to account for avoiding duplicating these records. The SI recently completed an impact analysis for this newly discovered challenge and concluded it may have a higher impact than originally expected.

The SI reported that they have developed and executed internal proofs of concept (POC) for both data and document migration. As part of this effort, a sampling of documents and data was successfully migrated to the test environment.

The SI continues to meet with ISCO's newly formed IT governance board supporting DCCA Salesforce applications. ISCO has stated that governance processes and structures should be in place before the BRM project enters UAT. This should help streamline implementation tasks and reduce the risk of other DCCA Salesforce vendors introducing bugs into the platform and disrupting BRM SI activities.

The project does not appear to have some key project and system management documents available. IV&V remains concerned that if some of these documents (e.g., incident management plan, change management plan, and help desk management plan) are not available prior to UAT it could hinder the project's ability to effectively manage incidents or system changes during UAT and after go-live.



# 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.	<span style="color: yellow;">M</span>
Process	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	<span style="color: green;">L</span>
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	<span style="color: green;">L</span>
	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.	<span style="color: yellow;">M</span>
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.	<span style="color: yellow;">M</span>
	Risk	26	Challenges with data conversion and document migration could create project delays and negatively impact system quality.	<span style="color: yellow;">M</span>

# IV&V Findings and Recommendations

## People

#	Key Findings	Criticality Rating
28	<b>Risk</b> - Over-allocation of BREG project members could lead to project fatigue, schedule delays, and reduced system quality.	M
Recommendations		Progress
<ul style="list-style-type: none"><li>Consider ways to offload operational duties from BREG project team members to other staff.</li></ul>		In progress
<ul style="list-style-type: none"><li>Closely monitor project team workload, morale, and capacity, and consider ways to load balance for those that are experiencing higher workloads.</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.	<span>L</span>
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><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
		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.	<span>L</span>

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.	In progress

# IV&V Findings and Recommendations

## Process

#	Key Findings	Criticality Rating
27	<b>Risk</b> - 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.	<span style="color: yellow;">M</span>
Recommendations		Progress
<ul style="list-style-type: none"><li>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.</li><li>Leadership take steps to closely monitor project team capacity and assure resources are not overallocated and operational and project duties are not significantly impacted.</li><li>Carefully track to the project schedule critical path to assure project delay risks can be mitigated.</li></ul>		In progress
		In progress
		In progress

# 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.	<span style="color: yellow;">M</span>
Recommendations		Progress
<ul style="list-style-type: none"><li>Develop and document a formal governance structure that supports multi-vendor Salesforce platform development.</li><li>Clearly define the scope of the governance structure, stakeholder, which applications it will oversee, and what activities it will cover.</li><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
		In progress
		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
<ul style="list-style-type: none"><li>SI acquire highly skilled data conversion and DocuSign specialist.</li><li>SI prioritize data conversion planning and develop a clear, detailed approach and realistic timeline for moving forward.</li><li>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.</li></ul>		In progress
		In progress
		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>	
<b>BREG</b>	Business Registration
<b>BRM</b>	Business Registration Modernization
<b>DCCA</b>	Department of Commerce and Consumer Affairs
<b>ISCO</b>	Information Systems & Communications Office
<b>IV&amp;V</b>	Independent Verification and Validation
<b>KPI</b>	Key Performance Indicator
<b>OCM</b>	Organizational Change Management
<b>PCG</b>	Public Consulting Group
<b>POC</b>	Proof of Concept
<b>SI</b>	System Integrator
<b>UAT</b>	User Acceptance Testing

# 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**