JOSH GREEN, M.D.
GOVERNOR
KE KIAʻĀINA

KEITH A. REGAN
COMPTROLLER
KA LUNA HOʻOMALU HANA LAULĀ

CHRISTINE M. SAKUDA
CHIEF INFORMATION OFFICER
LUNA ʻENEHANA

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES
KEʻENA HOʻOLANA ʻENEHANA

P.O. BOX 119, HONOLULU, HAWAIʻI 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, Hawaiʻi 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
  House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 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 Hawaiʻi, 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 Hawaiʻi

Attachment

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

IV&V Status Report - FINAL

Reporting Period: July 1 – 31, 2025

PUBLIC CONSULTING GROUP

Solutions that Matter

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
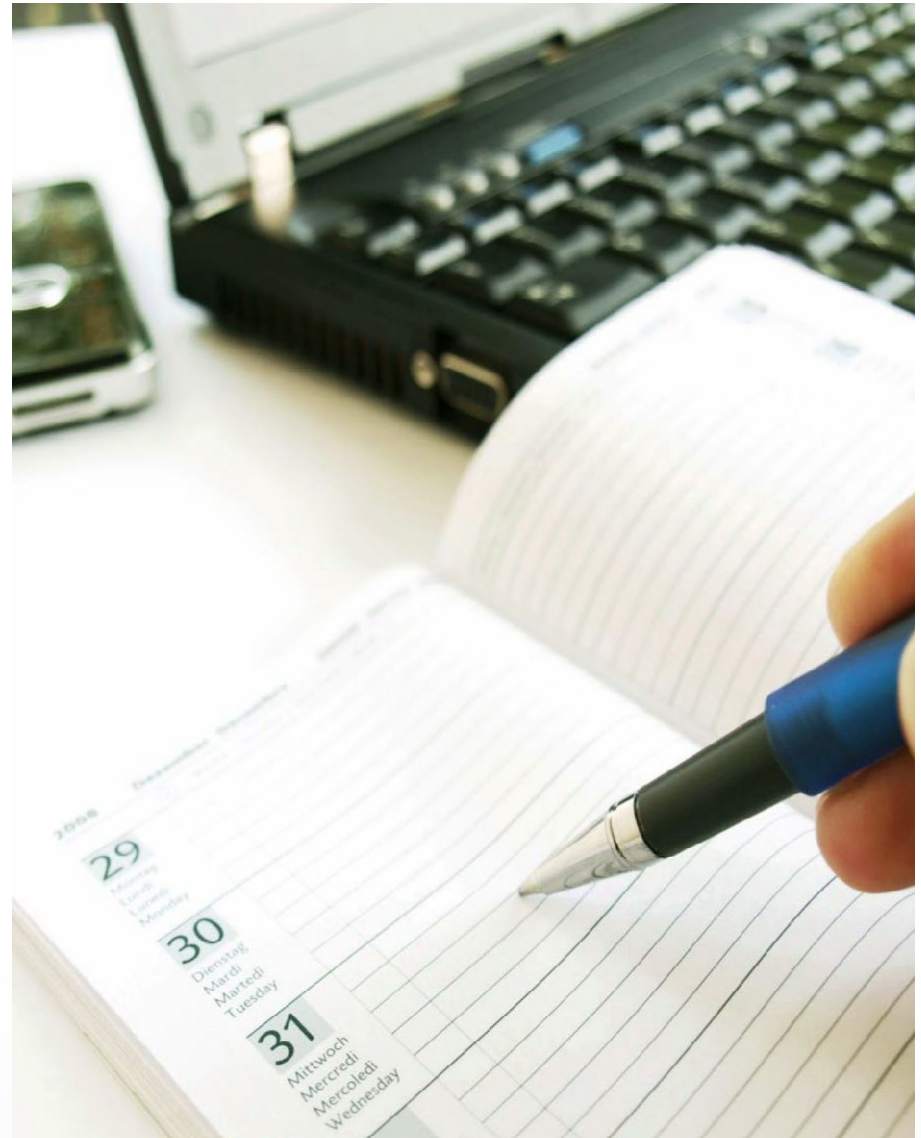
Executive Summary

The project is making steady progress in the 12-sprint development phase and is nearing completion of Sprint 7. As of this reporting period, the SI reports that 12 of 14 deliverables and 46% of development tasks have been completed. However, the project's go-live date has recently been extended to Dec. 7, 2025, primarily due to the discovery of a previously unknown payment data feed that required additional time for analysis and planning. The SI stated this additional time will not only help them complete delayed tasks but also to better stabilize the system prior to go-live. The project has made good progress in resolving challenges with the payment data feed and have determined a workaround that would help them to continue to view historical payment transaction records without impacting the budget.

The DCCA multi-vendor governance committee appears to be making good progress toward refining environment and system release coordination processes to help avoid vendors from impacting other DCCA vendors applications. IV&V remains concerned with the lack of some key formalized system management governance plans, such as those needed for effective incident management, which could hinder the project's ability to manage incidents and system changes effectively during UAT and post go-live.

BREG staff continue to face resource constraints, with existing team members frequently required to multitask and manage multiple responsibilities. Two new staff are currently being onboarded, and once fully integrated, they may help alleviate some of the burden on current personnel. Despite these resource constraints, BREG is making progress on gradually reducing the existing backlog in preparation for the new system, which may help them focus on pre-go-live activities when they may be needed the most.

The SI recently delivered the Quality Management Plan which provides additional details of how they intend to assure quality and deliver software that meets or exceeds BREG expectations. BREG leadership has stated that their ultimate objective is to deliver a system with the same core functionality as the legacy system, along with some improvements, which they would consider project success. Therefore, IV&V has closed two risks related to quality and success metrics.

PROJECT ASSESSMENT

July 2025

SUMMARY RATINGS

OVERALL RATING

M

PEOPLE	**L**
PROCESS	**M**
TECHNOLOGY	**M**

CRITICALITY RATINGS

H HIGH **M** MEDIUM **L** LOW **NA** N/A

IV&V FINDINGS

3
2
1 — 1
1 — 1
1

PEOPLE — ■ HIGH ■ MED ■ LOW
PROCESS — ■ PRELIM
TECHNOLOGY — ■ OPPOR ■ POSITIVE

1	5	2	11
NEW FINDINGS	OPEN FINDINGS	CLOSING FINDINGS	OPEN RECOMMENDATIONS

PROJECT BUDGET

■ Original Budget ☐ Amended $
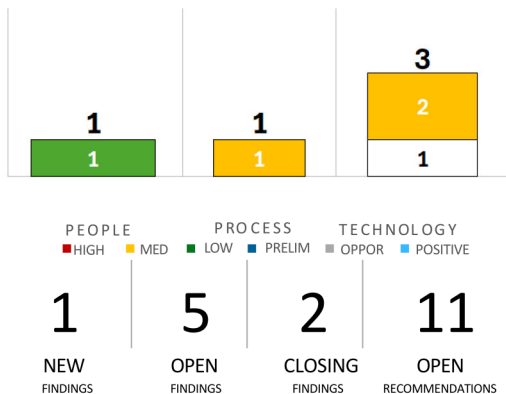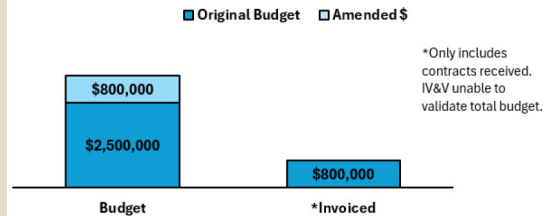
*Only includes contracts received. IV&V unable to validate total budget.

$800,000
$2,500,000
Budget

$800,000
*Invoiced

PROJECT PROGRESS

Total Project Tasks 1060
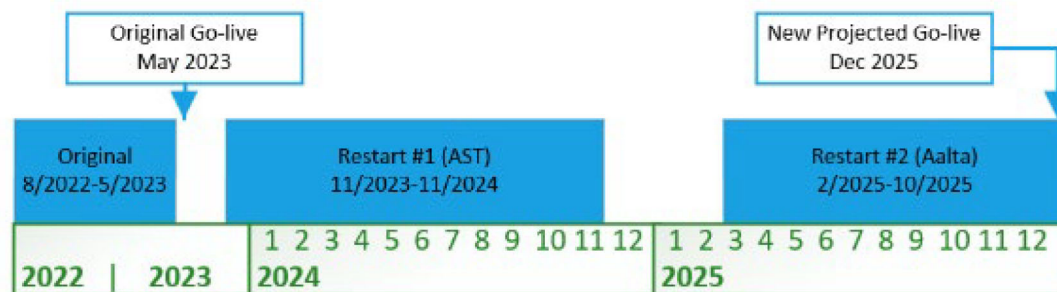Completed Tasks 486 (45.8%)

0 200 400 600 800 1000 1200
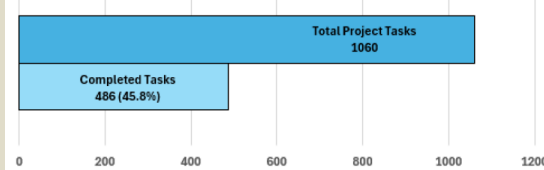
KEY PROGRESS & RISKS

- The project system go-live date has been extended to Dec. 7, 2025, due to some data migration challenges.
- IV&V closed two long-standing risks related to the lack of a quality management plan and success metrics.
- 12 of 14 pre-go-live deliverables and 46% of development tasks have been completed thus far.

TIMELINE

Original Go-live May 2023

New Projected Go-live Dec 2025

Original 8/2022-5/2023

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

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

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

2022 | 2023 2024 2025

BRM PROJECT

People
Team, Stakeholders, & Culture

(M) (M) (L)

The BREG project team members continue to meet project expectations, despite the ongoing challenge of balancing project responsibilities with day-to-day operational duties. Team members are actively working to reduce the existing backlog of operational tasks in order to increase their availability for project work, especially during the critical period leading up to go-live. To help ease the workload, BREG plans to onboard two new staff members. However, it is unclear how soon they will get up to speed and begin contributing effectively. The recent extension of the go-live date provides the project team with additional time to complete key project tasks. Therefore, IV&V has lowered the severity of the resource constraint risk to "Low".

Process
Approach & Execution

(M) (M) (M)

The project's go-live date has been pushed out by approximately 1 month to Dec. 7, 2025, primarily due to the discovery of previously unknown payment data that required additional time for analysis and planning.
The SI stated the discovery phase was aggressive and left little time for a comprehensive assessment of all aspects of data conversion. In response to the schedule impact, IV&V has changed the aggressive schedule risk to an issue.

The SI stated this additional time will not only help them complete delayed tasks but also to stabilize the system prior to go-live. Currently, 486 of the 1,060 development tasks (46%) have been completed. Of the 14 required project deliverables planned for delivery prior to go-live, the SI has delivered 12. In order to accelerate design validations, the SI has recently elected to provide BREG with recorded, instead of live, demos.

The SI delivered the Quality Management Plan (DEL 10) that includes some details for formalized quantitative success metrics and outlines the quality management strategy, activities, and approach. Both the Project Management Plan and Quality Management Plan outline metrics used to assess system and project management quality, and defines a quality objective to deliver software that meets or exceeds expectations. BREG leadership has stated that their ultimate objective is to deliver a system with the same core functionality as the legacy system, along with some improvements, which they would consider project success.

BRM PROJECT

(M) (M) (M)

Technology
System, Data, & Security

Bi-weekly multi-vendor governance meetings with the DCCA Salesforce vendors appear to be productive. This governance committee appears to be making good progress toward refining environment and system release coordination to help avoid vendors from impacting other DCCA vendors applications.

IV&V remains concerned with the lack key system management governance processes, such as those needed for effective incident management. IV&V has raised a preliminary concern (**see finding #29**) regarding this lack of governance which could hinder the project's ability to manage incidents and system changes effectively during UAT and post go-live.

Delays incurred due to the previously reported unexpected payment system data challenges contributed to the project electing to push the system go-live date out to 12/7/2025. The project has made good progress in addressing these challenges and have identified a workaround that would help them to continue to access historical payment transaction records without impacting the project budget. IV&V remains concerned with potential unforeseen challenges with data conversion/migration could continue to impact the project. IV&V has escalated the data migration risk to an issue.

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.	L
Process	Risk	6	A lack of quantitative success metrics may lead to differences in the interpretation of project success.	Closing
	Risk	17	Insufficient quality management practices may lead to rework and impact the quality, performance, and functionality of the solution.	Closing
	Issue	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
	Issue	26	Challenges with data conversion and document migration could create project delays and negatively impact system quality.	M
	Prelim Concern	29	The absence of system management governance could lead to uncoordinated system changes, delays in resolving critical issues, or poor end-user support.	N/A

IV&V Findings and Recommendations
People

#	Key Findings	Criticality Rating
28	**Risk** - Over-allocation of BREG project members could lead to project fatigue, schedule delays, and reduced system quality.	M

Recommendations	Progress
• Consider ways to offload operational duties from BREG project team members to other staff.	In progress
• 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.**	Closing

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	Completed
• 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.**	Closing

Recommendations	Progress
• Document details of the quality management strategy, plan, and activities in a Quality Management Plan deliverable.	Completed
• 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	**Issue** - 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
• 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.	In progress
• Leadership take steps to closely monitor project team capacity and assure resources are not overallocated and operational and project duties are not significantly impacted.	In progress
• Carefully track to the project schedule critical path to assure project delay risks can be mitigated.	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
• 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	**Issue** - 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 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

IV&V Findings and Recommendations
Technology

#	Key Findings	Criticality Rating
29	**Preliminary Concern** - **The absence of system management governance could lead to uncoordinated system changes and/or user incident tracking, which could result in delays in resolving critical issues, confusion, and/or poor end-user support.** There is currently a lack of clearly defined system governance processes and procedures. The project currently lacks important system governance documentation including incident management, change management, and help desk management plans. The absence of a centralized and coordinated approach to system management may lead to delays in resolving critical issues, unapproved or poorly coordinated changes being introduced into the system, and poor user support experiences. This could negatively affect system stability, stakeholder confidence, and overall project success, particularly as the project transitions to production support phases.	N/A

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

Acronym	
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
UAT	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.