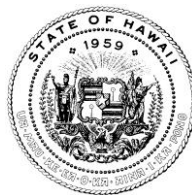JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA
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LUNA 'ENEHANA

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December 8, 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

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

IV&V Status Report - FINAL

Reporting Period: August 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
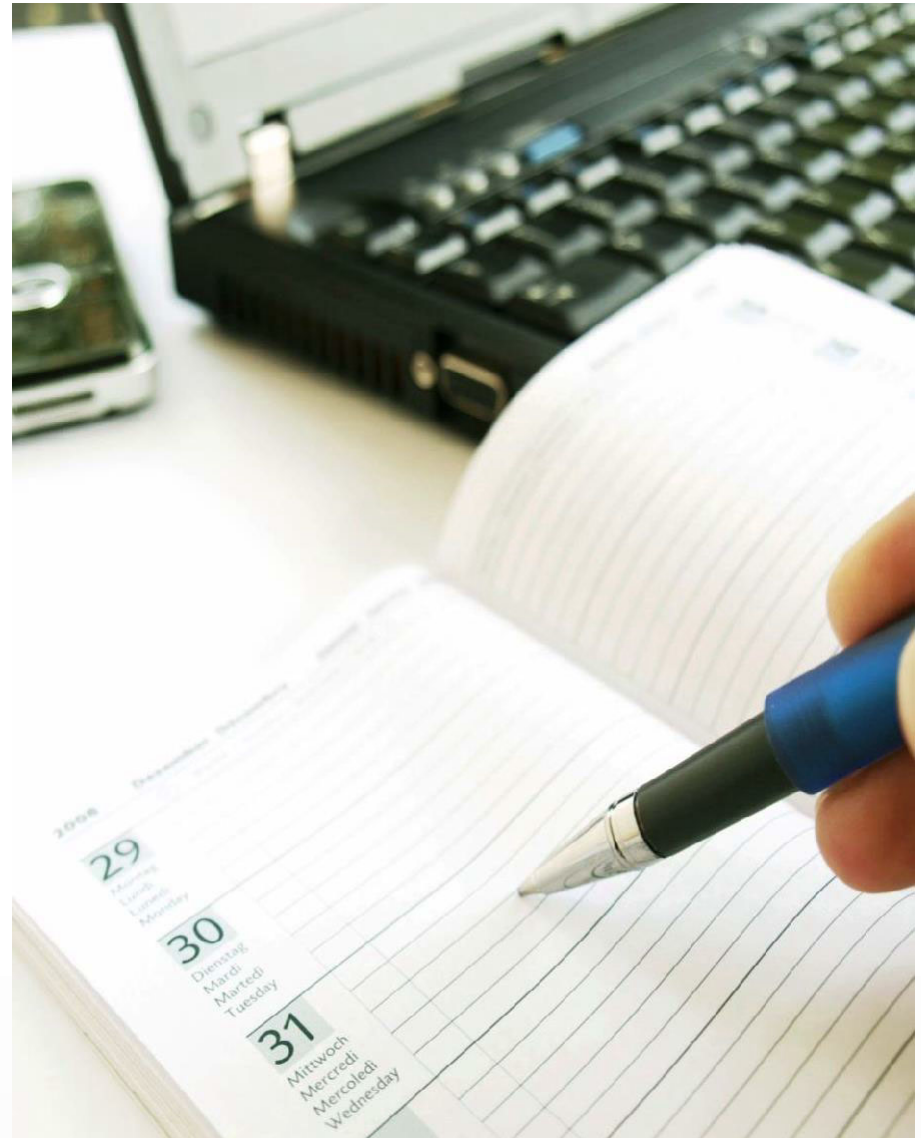
Executive Summary

The project continues to make steady progress and remains generally on track to meet the development timeline. The SI has completed 7 of 13 planned sprints, and the project team remains cautiously optimistic about achieving the new go-live date of December 7, 2025.

New requirements have recently surfaced that could affect project scope. These include the need for a third-party bulk email tool, potential replacement of BREG's Kofax scanning solution, and a possible post–go-live integration with DCCA's RICO division. While the SI has committed additional resources to mitigate delays, IV&V remains concerned that these emerging requirements may place added pressure on the project's ability to meet the planned go-live date.

BREG staff resources continue to meet project requirements while gradually reducing the department's existing operational (non-project related) work backlog. In preparation for go-live, staff appear to be spending more time on project tasks including ad-hoc system testing and reviewing SI test scripts. IV&V is concerned that the time commitment for user acceptance testing (UAT) may exceed BREG's original estimates.

As go-live approaches, both the SI and BREG leadership have expressed growing concerns about the need for better multi-vendor and system governance (e.g., clearly defined incident and help desk management). DCCA executive leadership has indicated they plan to onboard a governance consultant with the hope of establishing common DCCA-wide governance that each division can leverage. At a minimum, IV&V recommends the project consider drafting cursory incident management and help desk plans to assure system support activities are clearly defined and well coordinated once the system goes live.

PROJECT ASSESSMENT

August 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

1 (green)	1
1 (yellow)	1
3 (yellow)	3

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

1	5	0	15
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

$800,000

Budget   ***Invoiced**

PROJECT PROGRESS

Total Project Tasks 1140
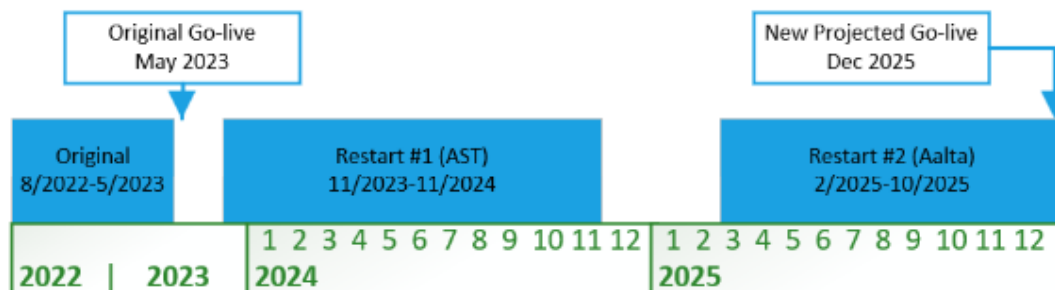
Completed Tasks 651 (57%)

0   200   400   600   800   1000   1200
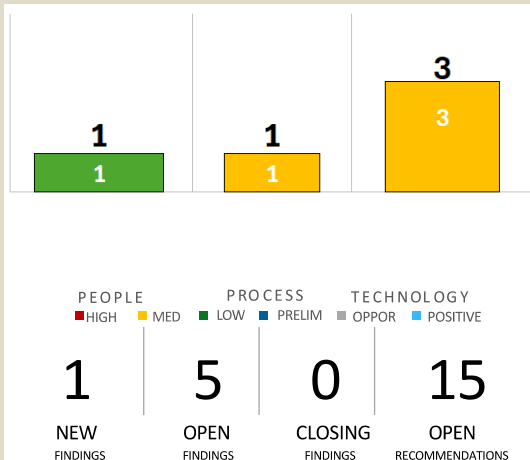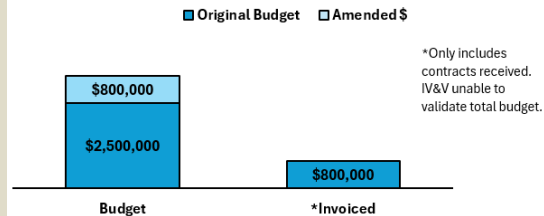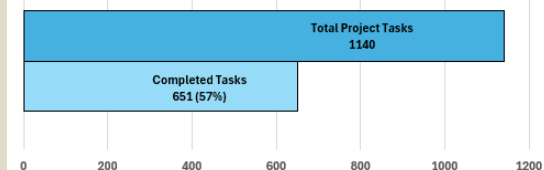
KEY PROGRESS & RISKS

- The SI and BREG are cautiously optimistic they are on track to meet the new go-live date of Dec. 7, 2025.
- Some missed requirements were recently brought to light, including scanning components, unforeseen volume email handling components, and data sharing with another DCCA division, but the project is making efforts to address these without pushing out the new go live date.
- DCCA has indicated they plan to onboard a governance consultant with the hope of establishing common DCCA-wide governance that the project can leverage.

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

| 2022 | 2023 | 1 2 3 4 5 6 7 8 9 10 11 12 2024 | 1 2 3 4 5 6 7 8 9 10 11 12 2025 |

BRM PROJECT

People
Team, Stakeholders, & Culture

(M) (L) (L)

BREG staff continue to meet project requirements while gradually reducing the department's non-project operational backlog. In preparation for go-live, staff are devoting increased time to project activities such as system testing and SI test script reviews. IV&V remains concerned, however, that the level of effort required for user acceptance testing (UAT) may exceed original estimates. BREG reports that staff maintain strong productivity and positive engagement and appear to be benefiting from the recent increased involvement of ISCO resources.

Process
Approach & Execution

(M) (M) (M)

The project continues to make steady progress and appears to be on track to meet the scheduled development timeline. The SI has completed sprint 7 of the 13 planned development phase sprints. The project team remains cautiously optimistic the project will meet the new go-live date of Dec. 7, 2025.

The SI added a stabilization sprint after sprint 7 to address carry-over user stories and help the team catch up on past work, which may mitigate some project delay risks. As of this reporting period, 57% (651 of 1,140) of development tasks have been completed. Although the milestone of 60% completion by the end of August was narrowly missed, the SI remains generally on track to meet the scheduled timeline.

JUNE	JULY	AUG	IV&V ASSESSMENT AREA	IV&V SUMMARY
M	M	M	**Technology** System, Data, & Security	

Technology
System, Data, & Security

Some missed requirements were recently brought to light that the project is working to mitigate to avoid pushing out the go-live date. For example, further analysis of BREG email volume requirements indicated a need for a 3rd party bulk email processing tool. Also, BREG may elect to discontinue use of their existing Kofax scanning solution, due to cost concerns, and may have the SI implement a custom solution. If so, the SI has stated they will bring on additional resources to implement that solution in order to avoid pushing out go-live. In addition, further research into legacy system interfaces revealed a potential need to provide data to DCCA's RICO division, though this would likely be implemented after go-live. IV&V remains concerned that other unexpected challenges and overlooked requirements could further delay the project.

Data cleansing activities are underway, with data migration (moving data from the legacy systems into the new system) scheduled for sprint 8. The SI is currently considering opportunities to increase data quality, including prompting online users to review/correct their existing contact information when they log into the portal.

As go-live approaches, both the SI and BREG leadership have expressed growing concerns about the need for better multi-vendor and system governance (e.g., clearly defined incident and help desk management). DCCA executive leadership has indicated they plan to onboard a governance consultant with the hope of establishing common DCCA-wide governance. However, it remains unclear whether this effort will sufficiently mitigate this risk. The SI has stated they intend to provide some mitigation by utilizing process flows embedded in DCCA's Freshdesk ticket management system to support consistent incident handling and help desk management. IV&V recommends the project consider drafting cursory incident management and help desk plans to assure system support processes are clearly defined and well-coordinated once the system goes live.

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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	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
	Risk	29	The absence of system management governance could lead to uncoordinated system changes, delays in resolving critical issues, or poor end-user support.	M

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.**	L

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
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
• Consider various data cleanup opportunities including establishing ongoing data clean up processes to continually improve data quality throughout the lifetime of the system. For example, prompting online users to review/correct their existing contact and other information when they log into the portal.	Not Started

IV&V Findings and Recommendations
Technology

#	Key Findings	Criticality Rating
29	**Risk - 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.	(M)

Recommendations	Progress
• Draft DCCA-wide plans that can be utilized by all systems that DCCA owns.	Not Started
• Work with the new governance vendor to draft, at a minimum, an incident management plan and a help desk plan.	Not Started
• Request that Aalta provide content for system management plans, leveraging documentation they have developed for other clients—such as processes and procedures for managing a help desk.	Not Started

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
RICO	Regulated Industries Complaints Office
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.

Solutions that Matter