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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, 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,

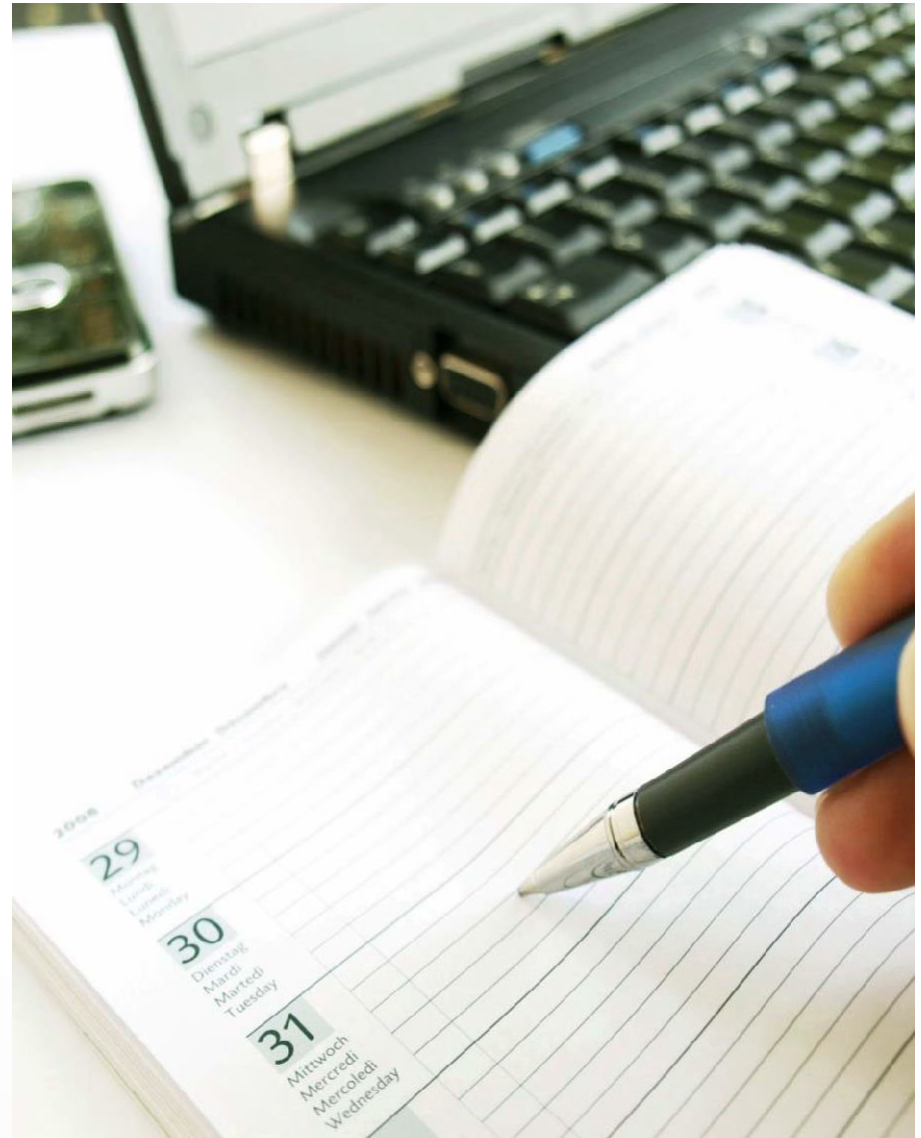Christine M. Sakuda
Chief Information Officer
State of Hawaiʻi

Attachment

# 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 nearing a major milestone as it completes development and prepares for user acceptance testing (UAT) and go-live. The SI reported that development is 91% complete and that the final development sprint is underway. The SI remains confident they can meet their planned milestones and the target go-live date of Dec. 7, 2025.  An internal go/no-go decision is scheduled for November 21, 2025, to determine whether the system is ready to go live or whether they will have to delay.

UAT is scheduled for November 3–17, 2025. BREG staff have been actively preparing by reviewing system demos, conducting early testing, and providing feedback on system designs. The SI recently delivered the Test/UAT Plan, which outlines expectations for testers, including executing test scripts, logging defects, and completing system training activities. Testing will be conducted in scheduled groups to help staff balance their participation in UAT with regular work responsibilities.  IV&V remains concerned that staff may face challenges balancing their daily work and project activities; however, BREG staff have remained positive and motivated to ensure project success.

The SI remains confident they will be able to effectively mitigate multi-vendor risks now that they have been given full control of the system to deploy their own updates into the production environment. They recently provided a Go-Live Readiness/Deployment Checklist that details late-stage coordination of activities, including timelines, roles, and communication plans.  The checklist specifies that they will only go-live with a quality gate/pass rate of 95% with zero critical defects.  Rollback procedures are also included to help mitigate deployment risks.

DCCA is planning to launch a new call center in the spring. The project is taking steps to account for this by adjusting resources and schedules as needed.

The SI plans to roll out Freshdesk for help desk and incident ticket management as soon as they are able to procure agent licenses.

The SI has resolved previous challenges related to legacy system data and has not reported any ongoing issues with system timeouts or instability.  Currently, the SI is working with the payment system vendor to clean up some data that still needs to be removed from the system before go-live.

The project plans to roll out the bulk of the system's planned features at launch; however, given the planned timeline, some features will be implemented post-go-live during the maintenance and operations phase of the project.  IV&V remains concerned that user buy-in could be impacted since some features will not be available until later.

## PROJECT ASSESSMENT

*October 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 — 1
1 — 1
3 — 3

PEOPLE
■ HIGH  ■ MED  ■ LOW

PROCESS
■ PRELIM

TECHNOLOGY
■ OPPOR  ■ POSITIVE

| 0 | 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
Budget

$800,000
*Invoiced

## PROJECT PROGRESS

Total User Story Points/Tasks

Completed User Story Points/Tasks (91%)

0   200   400   600   800   1000   1200
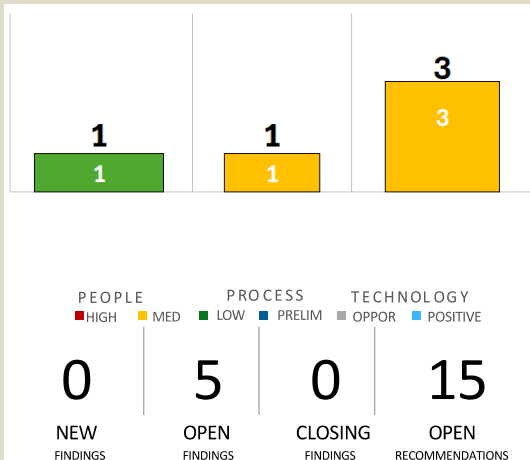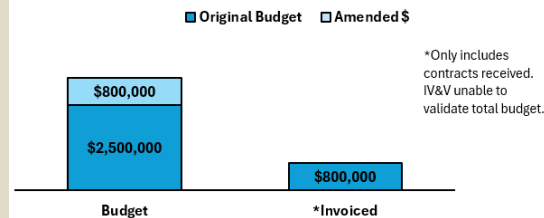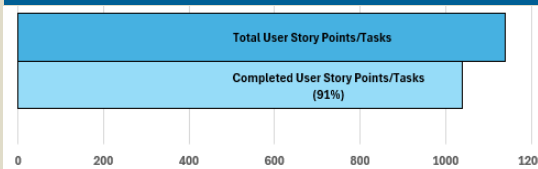
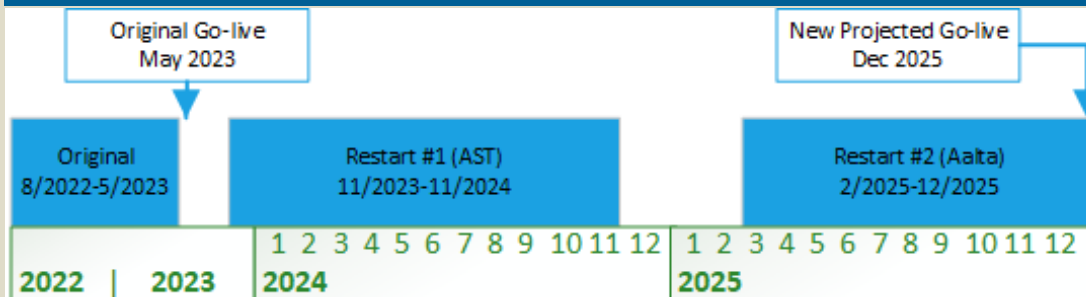## KEY PROGRESS & RISKS

- The SI and BREG are cautiously optimistic they are on track to meet the go-live date of Dec. 7, 2025. There will be an internal go/no-decision on Nov. 21, 2025, and a formal decision made on Dec. 6, 2025.
- BREG staff are actively engaged in pre-UAT activities, including completing trainings, reviewing recorded demos, and providing feedback.
- The SI will manage and coordinate go-live deployment and has shared a readiness and deployment checklist with mitigation strategies included.

## 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) 2/2025-12/2025

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

2022 | 2023

# BRM PROJECT

## People
Team, Stakeholders, & Culture

**(L)  (L)  (L)**

BREG staff continue to fulfill project requirements and are actively preparing for User Acceptance Testing (UAT), which is scheduled for November 3–17, 2025. They have been reviewing system demonstrations, conducting early testing, and providing feedback on system design.

The SI recently delivered the draft User Training Guide, which lists the tasks BREG staff were asked to complete before UAT, including Salesforce training modules estimated to require about 20 hours.

The SI also recently delivered the Test/UAT Plan, which outlines expectations for testers, including executing test scripts, logging defects, and completing system training activities. Testing will be conducted in scheduled groups to help staff balance their participation in UAT with regular work responsibilities.  IV&V remains concerned that staff may face challenges balancing their daily work and project activities; however, BREG staff have remained positive and motivated to ensure project success.

## Process
Approach & Execution

**(M)  (M)  (M)**

The project is nearing a major milestone as it completes development and prepares for user acceptance testing (UAT) and go-live. The SI reported that development is 91% complete and that the final development sprint is underway. The SI remains confident they will meet their planned milestones and the target go-live date of Dec. 7, 2025.  An internal go/no-go decision is scheduled for November 21, 2025, to determine whether the system is ready to go live or whether they will have to delay.

The SI recently delivered several key plans and checklists providing essential details for upcoming UAT and go-live activities, including the Test/UAT Plan, the Go-Live Readiness and Deployment Checklist, and the User Training Guide. However, the aggressive project schedule has allowed only limited time for BREG to review these materials and provide feedback. It remains unclear whether this compressed timeline could affect the success of testing and go-live activities.

Progress has been made in addressing previously missed requirements, including those related to the email solution and scanning functionality. However, it remains a concern that new requirements continue to be introduced late in the project. There have been some testing stories added as well as form layout updates, increasing the workload during this final phase. Despite this, the SI remains confident they can complete all planned work on schedule and implement any remaining changes after go-live.

# BRM PROJECT

**(M)** **(M)** **(M)**

**Technology**
System, Data, & Security

The SI remains confident that they can effectively mitigate multi-vendor risks now that they have been given full control of the system to push their own updates into the production environment. They appear to be making good progress in preparation for the final stages of the project and have recently provided a Go-Live Readiness/Deployment Checklist that details late-stage coordination of activities. The checklist includes timelines, roles, and sequenced activities to coordinate messaging, code freezes, and go/no-go sign off dates. The organization-wide code freeze will begin Dec. 1, followed by a formal go/no-go and signoff on Dec. 6. The checklist specifies that they will only go-live with a quality gate/pass rate of 95% with zero critical defects. Rollback procedures are also included in the checklist to help mitigate deployment risks.

The SI has resolved previous challenges related to legacy system data and has not reported any ongoing issues with system timeouts or instability. They are currently working with the payment system vendor to remove remaining legacy data that must be cleaned up before go-live.

The SI plans to roll out Freshdesk for help desk and incident ticket management as soon as they are able to procure agent licenses.

DCCA is planning to launch a new call center in the spring. The project is taking steps to account for this by adjusting resources and schedules as needed.

DCCA has onboarded a new consultant who has begun meeting with the SI to discuss establishing a system management governance framework. However, it remains uncertain whether the consultant will be fully onboarded in time to support or guide go-live processes and procedures.

# 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.**<br><br>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.<br><br>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**