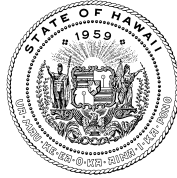**JOSH GREEN, M.D.**
GOVERNOR
KE KIA'ĀINA

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

CHRISTINE M. SAKUDA
CHIEF INFORMATION OFFICER
LUNA 'ENEHANA

STATE OF HAWAI'I | *KA MOKU'ĀINA O HAWAI'I*
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA 'OIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KE'ENA HO'OLANA 'ENEHANA*
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

September 4, 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 10 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 Labor and Industrial Relations (DLIR) Hawai'i Unemployment Insurance Modernization (Hui Huaka'i) 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

Attachments (2)

HUI Huaka'i Project

Department of Labor and Industrial Relations (DLIR)

IV&V Monthly Status Report – **[Draft]**

For Reporting Period: **[June]**

Draft Submitted: July 7, 2025

Final Submitted: August 1, 2025

Overview

- Executive Summary

- IV&V Findings and Recommendations

- Appendices

  - A – IV&V Criticality Ratings

  - B – IV&V Standard Inputs

  - C – IV&V Details

  - D – Hawaii DLIR UI PMO and Solution Vendor Comments on IV&V Reporting

Executive Summary

Executive Summary

The HUI Huaka'i Project is classified as low-risk with a Green status but has one (1) project area in Yellow.

IV&V opened one (1) new finding and closed one (1) preliminary finding.

In June, the DLIR UI PMO launched an initiative to highlight and promote the strategic goals of the project to the UI team. Each month through December 2025, the initiative will spotlight one of the seven strategic goals. The goal spotlighted for June is "Deliver a Better Customer Experience". Posters will be shared in the UI offices, including neighboring island offices. Emphasizing these strategic goals will help to align stakeholders and teams with the long-term vision, improve decision-making, and help set clear project priorities.

The UI Solution Vendor released the Initial Claims (IC) and Additional Claims (AC) functionality to the sandbox. This is a significant milestone for the Hua Huaka'i Project. Additional functionality is expected to be released in July.

Scope and Schedule Management remain yellow due to concerns about validating velocity and scope-related metrics. IV&V shared an independent velocity and throughput analysis with the UI Solution Vendor and the DLIR UI PMO for discussion in July. A new finding was created based on the report and IV&V plans to meet with the UI Solution Vendor and the DLIR UI PMO to validate the data.

June was a productive month for the project. IV&V received 16 document deliverables for review, and the milestone of releasing significant functionality to the sandbox should increase release rates in the future.

One (1) finding was identified in June. One (1) preliminary concern was closed. The project has three (3) open preliminary concerns and one (1) open risk.

Overall Rating

As of June 30, 2025

G

The project is currently in a green status.

Total IV&V Findings - 34
Open – 4
Closed – 28
Watch – 1
Open Recommendations – 13
Closed this Month – 1
Opened this Month - 1

Project Budget

$28,236,895.26

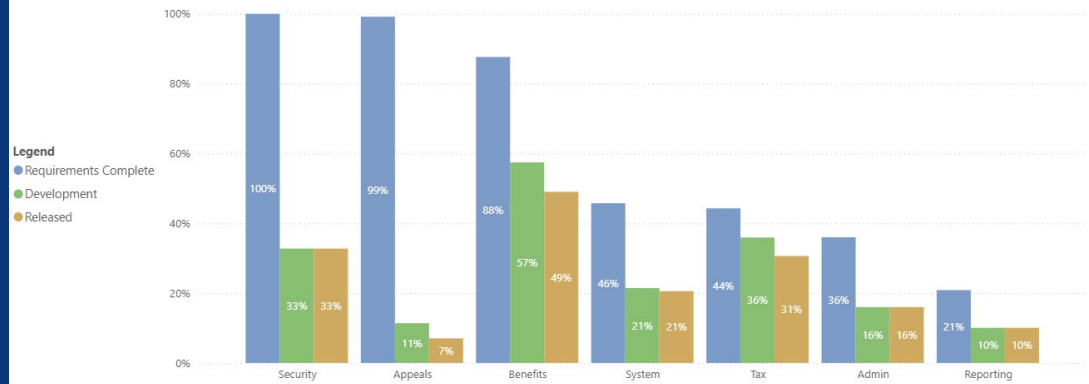$18,263,104.74
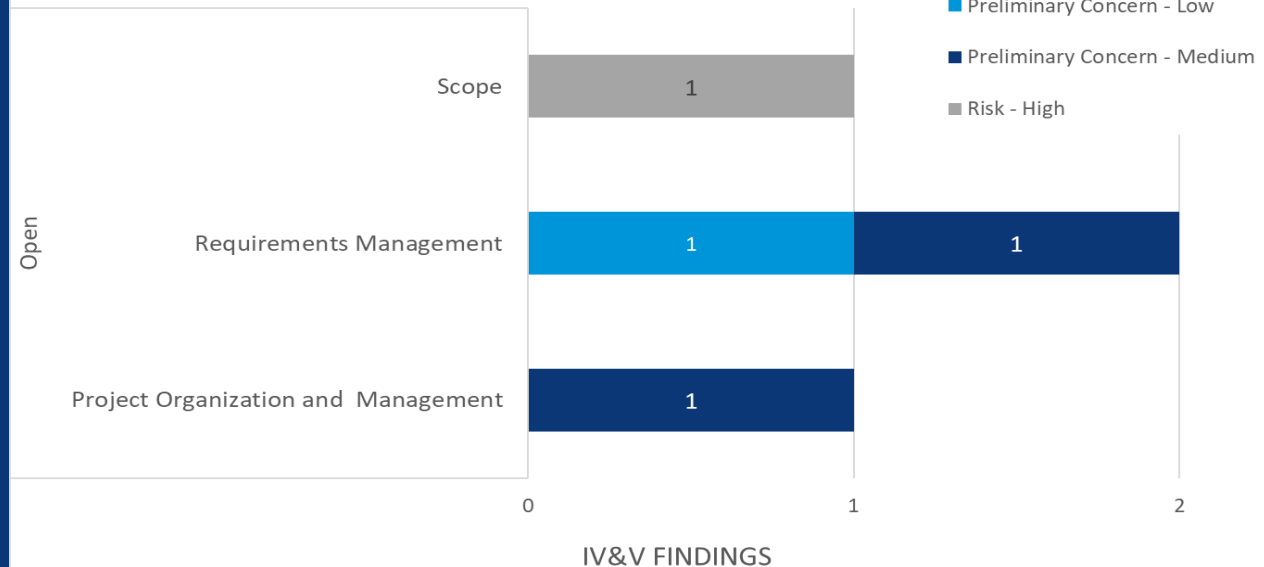
■ Expenditure ■ Remaining

% OF THE RTM DEVELOPED AND RELEASED TO SANDBOX

28%

* As reported through the Project Status Report.

Status by Area

Legend
● Requirements Complete
● Development
● Released

Area	Requirements Complete	Development	Released
Security	100%	33%	33%
Appeals	99%	11%	7%
Benefits	88%	57%	49%
System	46%	21%	21%
Tax	44%	36%	31%
Admin	36%	16%	16%
Reporting	21%	10%	10%

Open IV&V Findings

■ Preliminary Concern - Low
■ Preliminary Concern - Medium
■ Risk - High

	Risk - High	Preliminary Concern - Low	Preliminary Concern - Medium
Scope	1		
Requirements Management		1	1
Project Organization and Management			1

IV&V FINDINGS

Executive Summary

Apr	May	Jun	Category	IV&V Observations
L	L	L	Project Organization and Management	There are inconsistencies with the revision and maintenance of project management plans, strategies, and related deliverables (#32). IV&V has reached out to the DLIR UI PMO to schedule a meeting to discuss recommendations to resolve the finding. In June, IV&V received 16 approved and paid document deliverables from the DLIR UI PMO for review. IV&V is in the process of reviewing the documents.
M	M	M	Scope and Schedule Management	The SPI decreased from 1.0 to 0.92 as of the June 27 project schedule. IV&V opened a new finding (#45) following a new velocity and throughput analysis, which showed that delivery remains on track only if no additional scope is added. Any further backlog growth or decreased throughput would likely delay the project. IV&V will continue to monitor for impacts on visibility into project progress and forecasting reliability.
L	L	L	Requirements Management	Requirements sessions continued as scheduled and remain productive. IV&V continues to monitor documentation practices related to eliminating requirements (#39) and is reviewing a sample size of the 209 requirements marked for elimination to evaluate the documentation associated with removing the requirement. IV&V will provide the analysis in July. Additionally, traceability gaps persist between some Features, User Stories, and test cases in Azure DevOps (#42), which IV&V will continue to track.
L	L	L	Architecture and Design	The Appeals Functional Design sessions focused on automated packet compilation, continued refinement of exhibits and case file functionality, and review of remaining appeal packet types. These sessions also incorporated cross-functional feedback to support coordination between the Appeals, Benefits, and Tax teams. System Requirements sessions addressed User Experience, User Interface, Implementation, Maintenance, and Support, with an emphasis on high-level and state-specific features. Security design and development activities have not yet begun.
L	L	L	Testing (Sprint, Unit, System, Integration, UAT)	IV&V reviewed the latest version of the Master Test Plan and observed meaningful improvements in organization, phase alignment, and clarity of responsibilities. Including distinct test phases, milestone targets, and an updated test environment overview represents progress toward a more structured and manageable testing approach. While the plan is much improved, opportunities remain to strengthen traceability practices, expand interface testing coverage, and refine test data preparation strategies. Addressing these areas would help ensure completeness and readiness for upcoming test activities.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section

Executive Summary

Apr	May	Jun	Category	IV&V Observations
L	L	L	Data Conversion Management	The Data Cleansing vendor continues to utilize SAP Information Steward to define and enforce business rules that promote high-quality data in support of HI DLIR's modernization efforts. As part of this process, a monthly Data Scorecard is generated to identify records that fail data cleansing rules. Each table is assigned a data quality score ranging from 0 to 10, based on the volume of failed data points. Discrepancies are reviewed collaboratively with the HI DLIR UI Team, leading to refinements in business rules or implementation of corrective actions as needed. For June 2025, all tables received quality scores between 9.77 and 10. The overall data conversion progress is calculated at 48% complete.
L	L	L	Security	IV&V has completed its review of the System Security Plan and will provide comments and recommendations to strengthen alignment with applicable standards and best practices in July.
L	L	L	Training and Knowledge Transfer	IV&V received the Knowledge Transfer Strategy on June 20, 2025, from the DLIR UI PMO for review. IV&V is in the process of reviewing the document.
L	L	L	Interfaces	During this reporting period, no requirements sessions related to interfaces were held. Requirements sessions are planned to resume in July 2025.
L	L	L	Software Development	Finding #31, Backlog grooming sessions remain limited to internal vendor activity, was closed as the DLIR UI PMO has acknowledged and accepted this as a project risk. The risk has been formally documented in the project's risk log.

Executive Summary

Apr	May	Jun	Category	IV&V Observations
L	L	L	Human Resources and Staffing Management	All current project resources are stable with no changes. IV&V will continue to monitor resource management activities
L	L	L	Risk and Issue Management	The project team continues demonstrating strong risk management practices. The twice-weekly risk meetings on Tuesdays and Thursdays, with one session dedicated to risks and the other to the AID (Action, Issue, Decision) log, remain effective and well-structured. IV&V has observed that these meetings provide visibility into risks and issues, reinforcing the project's commitment to proactive risk management and control measures. Due to holidays and conflicting schedules, the Risk and Issue Management meetings were canceled for two of the four weeks in June.

Organizational Change Management

Organizational Change Management is **Green** with the following **Observations**:

The current OCM meetings are running smoothly without any issues. The OCM Team continues to conduct the Change Impact Analysis.

The OCM Team has created a new term for Change Champions, now Change Ambassadors. The DLIR UI PMO has given staff lanyards with the phrase "Change Champion" to create an atmosphere of positive change. The DLIR UI PMO reported that this change is reflected in the most recent quarterly update to the OCM Plan. IV&V could not locate the quarterly update as of June 30, 2025, and has since received the document from the DLIR UI PMO. IV&V is reviewing the OCM Plan and will provide an update in July.

To strengthen this project area, IV&V recommends:

- *Continue to follow the OCM methodologies outlined in the OCM Plan*
- *Continue to update the OCM Plan quarterly to reflect any foundational changes*
- *Continue to provide staff with high-level project updates*

OCM Activities	Date
The OCM Team's June accomplishments included: • Monthly Project Intranet Post • Conducted Internal Stakeholder Interviews for the neighbor islands • Initial Organizational Readiness Report • Quarterly OCM Performance Report	June 5, 2025 June 6, 2025 – June 13, 2025 June 13, 2025 June 26, 2025

IV&V Findings and Recommendations

IV&V Findings and Recommendations

Findings Opened During the Reporting Period

#	Finding	Category
45	**Velocity and Backlog Growth Risks to Schedule**	Scope and Schedule Management

IV&V Findings and Recommendations

Findings Retired During the Reporting Period

#	Finding	Category
31	**Backlog grooming sessions remain limited to internal vendor activity**, This finding has been closed, as the DLIR UI PMO has acknowledged and accepted this as a project risk. The risk has been formally documented in the project's risk log.	Software Development

IV&V Findings and Recommendations
Ⓛ Project Organization and Management

#	Key Findings	Criticality Rating
32	**Preliminary Concern – There are inconsistencies in the approval, revision, and maintenance processes for Project Management Plans.** Initial Observations: 1. The format of the document maintenance section of Project Management Plans is not consistent between documents. For example, the Implementation Strategy contains "Effective Date" and "Approver," whereas other documents do not. 2. There are discrepancies between document version numbers. For example, the implementation strategy's file name reads version 2.0; however, the document maintenance section only contains versions up to 1.3. 3. Document maintenance sections within approved Project Management Plans are incomplete. For example, the Document Maintenance table within the approved Data Conversion Strategy only depicts version 1.0 - Draft. 4. There are discrepancies between version number thresholds. It is unclear which version number indicates when IV&V Feedback is incorporated. For example, the UIS Implementation Strategy includes IV&V updates in version 1.2, whereas Business Process Reengineering includes IV&V updates in version 1.5. Analysis: In order for the project to be successful, the project management plans and governing documents should be up-to-date and the single source of truth. Additionally, if the document maintenance process is not adhered to, the project is at risk of losing valuable input and tracked changes.	Medium

IV&V Findings and Recommendations
L Project Organization and Management

Recommendations	Status
IV&V recommends: • Expand the document maintenance process to include timelines, version number thresholds, responsible parties, and a clear format for the document maintenance section of project management plans. • Review previously approved and finalized project management plans to adhere to the above-mentioned process.	Open

Update(s)

03/04/2025: Finding added to February MSR.
04/07/2025: Received Project Team Training Plan, Data Conversion Plan, and the System Security Plan.
04/28/2025: The DLIR UI PMO asked which documents/deliverables were considered late as of March 31, 2025. IV&V Responded with the following:
IV&V was unable to locate the final versions of the documents below
- Business Process Re-engineering Plan
- End User Training Strategy
- System Security Plan
- Project Team Training Plan
- System Security Strategy
- Master Test Plan
04/30/2025: The DLIR UI PMO clarified that the System Security Strategy was approved in October 2024. IV&V updated their list of missing documents to only include the Business Process Re-engineering Plan and the End User Strategy.
04/30/2025: IV&V downloaded the most recent Change Request to reflect the change in due dates for the following deliverables:
- Knowledge Transfer Plan (10/2025)
- Initial System Design Document (10/31/25 or 12/31/25) ***The Change Request Contains conflicting due dates***
- System Design Document Updated (10/31/26)
- System Design Document Final (12/31/26)

IV&V Findings and Recommendations
Ⓛ Project Organization and Management

Update(s)

05/01/2025: IV&V identified the following documents that are due in the Month of May:
- UIS Implementation Plan (05/12/25)
- Business Process OCM Plan (05/12/25)
-   Knowledge Transfer Strategy (05/12/25

05/12/2025: IV&V was unable to locate the aforementioned plans; however, did locate the Business Process Re-engineering Plan and End User Strategy.

05/24/2025: IV&V completed their review of the Project Team Training Plan.

05/28/2025: IV&V was able to locate the UIS Implementation Plan. *The document maintenance section indicated IV&V feedback was incorporated, but our internal tracking does not indicate that we've recently reviewed this document.*

05/28/2025: IV&V can still not locate the Business Process OCM Plan and Knowledge Transfer Strategy.

06/20/2025: IV&V received a list of documents ready for review that included:
 - Business Intelligence Plan
 - Business Process Re-engineering (BPR) Plan
 - **Business Process OCM Plan**
 - Data Loss Prevention Plan
 - Data Governance Plan
 - End-User Training Plan
 - **Knowledge Transfer Strategy**
 - Organizational Readiness Assessment 1
 - PII Data Protection Plan
 - Production Support Plan (pt1)
 - Requirements Management Plan
 - System Design Document
 - Systems Landscape, Technical Design, and Business Design Strategy & Plan
 - Technical Architecture Plan
 - UIS Implementation Plan
*Updates found on the following slide**

IV&V Findings and Recommendations
Ⓛ Project Organization and Management

Update(s)
06/30/2025: IV&V identified the Business Process Re-engineering Plan as the only plan delivered on 06/20/25 that was behind schedule. It was expected to be completed on 04/25/25 and was completed on 06/02/25.

IV&V Findings and Recommendations
M Scope and Schedule Management

#	Key Findings	Criticality Rating
45	**Risk – Velocity and Backlog Growth Risks Schedule** Since August 2024, the project backlog has grown by over 600 net new stories, with limited progress on completion until early 2025. Although June 2025 showed a slowdown in new story creation, it is too early to confirm a stable trend. IV&V performed forecasting in June using both story points and story counts, revealing wide variance in projected completion timelines depending on backlog growth and delivery rate. Under the current throughput (27 stories/month), the project could meet its October 2026 development deadline if no additional scope is added. However, continued backlog growth—even at reduced levels—would extend the timeline significantly. These findings highlight the need to control scope intake and improve throughput to ensure timely delivery. As a result of sustained backlog growth and reliance on variable throughput trends, future delivery timelines may extend beyond the scheduled end date, resulting in increased cost and risk exposure. Forecasting models show that if the backlog continues to grow—even modestly—project completion could extend significantly unless corrective actions are taken to improve development throughput or limit scope expansion. Continued on the next slide.	High

IV&V Findings and Recommendations
(M) Scope and Schedule Management

Recommendations	Status
IV&V Recommends: - Stabilize backlog intake through more rigorous scope control and change management processes. - Regularly monitor and report on net new stories added per month to identify scope growth early. - Evaluate opportunities to increase throughput by analyzing bottlenecks and process inefficiencies. - Prioritize backlog grooming to eliminate unnecessary or duplicate stories. - Adopt a shared forecasting model and regularly update based on story point and count velocity. - Increase transparency into backlog refinement decisions to ensure alignment with RTM and project goals.	Open
Update(s)	
N/A	

IV&V Findings and Recommendations

Ⓜ **Requirements Management**

#	Key Findings	Criticality Rating
39	**Preliminary Concern** – There is no defined process for the elimination of requirements. The Benefits Requirements Sessions are typically the initial phase where stakeholders discuss and outline the desired features and functionality of a system, with an emphasis on understanding the goals and needs of the end-users and business. Without a formalized process, different stakeholders may interpret the need for requirement elimination differently. A documented process makes the decision-making process transparent, allowing all stakeholders to understand why specific requirements were removed and ensuring accountability. If the elimination of requirements is not well-documented, there is a risk of losing traceability, making it difficult to explain why specific decisions were made during the later stages of the project. The process of requirement elimination is integral to the overall success of any project. Unclear or undocumented processes can lead to Scope creep, quality issues, and risks to the project schedule. During the Benefits Requirements Session, IV&V observed that the UI Solution Vendor and PX Global eliminated some requirements due to the inability to establish a use case. IV&V asked about the processes for the elimination of requirements. The UI Solution Vendor and PX Global claimed to use "best practices" when eliminating requirements; however, there's "no natural process". It is assumed that the DLIR UI PMO meets internally to discuss and approve eliminations. IV&V requested documentation outlining the process for elimination on Friday, March 21, 2025.	Low

Recommendations	Status
*Recommendations found on the following slide**	Open

IV&V Findings and Recommendations
Ⓜ **Requirements Management**

Recommendations	Status

IV&V Recommends:
 	
- Establish a clearly defined process for eliminating requirements that includes:
   - Specific criteria for determining which requirements should be eliminated.
 	
   - A standardized method for documenting and communicating the rationale for eliminating requirements.
 	
   - Clearly defined roles and responsibilities, ensuring that all relevant stakeholders are involved in and informed about requirement elimination decisions.
 	
- This process should be aligned with industry standards and the project's overall governance framework.
	Open

Update(s)
03/21/2025: Emailed UI Solution Vendor asking for documentation **03/24/2025:** Emailed UI Solution Vendor asking for updates. Received response stating they are searching for documentation and will follow up tomorrow. **03/25/2025:** UI Solution Vendor responded, stating they made a request to the PM for this documentation. **04/02/2025:** Added to March MSR **04/07/2025:** Emailed UI Solution Vendor asking for updates. Received a response that they will forward the request to other team members. **05/28/2025:** IV&V escalated this request. **05/29/2025:** IV&V received a response with the following matrix attached. *Updates found on the following slide**

IV&V Findings and Recommendations
(M) **Requirements Management**

Update(s)
06/13/2025: IV&V reviewed the document provided but did not witness a column for Justification as to why the Requirement was removed. There are 209 eliminations to date. **06/30/2025:** IV&V reviewed the ADO board to locate justifications for the elimination of requirements. IV&V is reviewing a sample size of the 209 requirements marked for elimination for complete, consistent justifications and overall communication about the eliminations. IV&V will provide an analysis in July.

IV&V Findings and Recommendations

(M) **Requirements Management**

#	Key Findings	Criticality Rating
42	**Preliminary Concern** – Missing Requirement and Test Case Traceability for Some User Stories and Features For some User Stories that have been developed, IV&V observed no corresponding test case to verify that the requirement was correctly built and works as intended. For example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771. Additionally, there is no linked requirement associated with the Feature or the User Story (i.e., no parent requirement for the User Story, and no child requirement for the Feature). Requirements Traceability Matrix (RTM) typically tracks two main components for each requirement: 1. Development/Build (designing and implementing the requirement) 2. Testing/Validation (verifying that the requirement is correctly built and works as intended). Simply, Requirement → How it is implemented → How it is tested The RTM's purpose is: 1. Ensure every requirement is accounted for in the system build. 2. Ensure every requirement is tested (validation coverage). 3. Show clear traceability both forward (Requirement ➔ Test Case) and backward (Test Case ➔ Requirement).	

Recommendations	Status
Ensure that all Features, User Stories, and related development tasks are fully traced to corresponding requirements and associated test cases in the RTM to verify that each requirement is correctly built and validated. Gaps should be addressed to maintain complete end-to-end traceability.	Open

IV&V Findings and Recommendations

(M) **Requirements Management**

Update(s)
6/30/2025 - There continues to be a lack of full traceability between some Features, User Stories, and corresponding test cases in Azure DevOps (ADO). As of this month, Task 54144 remains a child of User Story 46942 (Decision Template page), but no test case has been associated with either the User Story or its parent Feature 46771. This indicates that the traceability gap identified last month has not yet been addressed, increasing the risk that functionality may not be adequately validated during testing. **5/31/2025 -** Not all Features, User Stories, and related development tasks are fully traced to associated test cases in ADO, for example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771.

IV&V Findings and Recommendations

(M) Software Development

#	Key Findings	Criticality Rating
31	Risk – **Backlog Management is occurring outside of formal Agile ceremonies** The backlog grooming process occurs outside of formal Agile ceremonies, led primarily by the UI Solution Vendor's development manager/lead architect without active state agency participation. As a result, the agency's priorities and business needs may not be adequately considered in backlog decisions. As a result of the backlog grooming process being conducted independently by the UI Solution Vendor without DLIR UI PMO involvement, there is a risk that prioritization may not fully align with business needs, potentially leading to misallocated development effort and reduced stakeholder satisfaction.	Medium

Recommendations	Status
1.) Increase State Agency Engagement in Backlog Refinement—Before sprint planning, the DLIR UI PMO should have visibility into and input on backlog prioritization. *2.) Establish a Structured Refinement Process—To ensure alignment, consider formalizing a backlog review process with key stakeholder representatives.* *3.) Improve Visibility – The UI Solution Vendor should provide backlog updates and justifications for prioritization before presenting finalized work in sprint planning.*	Open

IV&V Findings and Recommendations
Ⓜ Software Development

Update(s)
3/31/2025 At a management meeting on 3/28, the UI Solution Vendor shared that backlog grooming occurs regularly but is an internal process and meeting. No HI stakeholders or IV&V are present or are expected to have input in these internal grooming sessions. The desires and priorities of the DLIR UI PMO are expected to be represented by the UI Solution Vendor BAs.
4/22/2025 No update for this reporting period. These practices are continuing to occur regularly, but without the DLIR UI PMO or IV&V stakeholders represented. This finding has been moved to a Risk.
5/27/2025 No update for this reporting period.
6/24/2025 No update for this reporting period. These practices are continuing to occur regularly, but without DLIR UI PMO or IV&V stakeholders represented. This finding has been moved to a Risk.

Appendix A – 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 a slight impact on 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 B – IV&V Standard Inputs

Artifacts reviewed during the reporting period:
June 2025 Project HUI Huaka'i Weekly Status Reports
Project Management Plan
Data Cleansing meeting notes (sent by email) for the weekly meetings in June 2025
Development (Appeals) Features Backlog - Boards (azure.com)
Development (Benefits) Team Epics Backlog - Boards (azure.com)
DLIR Traceability Matrix Team Epics Backlog - Boards
Appeals Functional Design Prep & Finalization Sessions agendas, meetings and meeting notes
Benefits Requirements Sessions agendas and Meeting Notes
Epic 28163 System
Project Schedule
Data Conversion Plan
System Security Plan
Decision Log
RAID Log

Appendix C – IV&V Details

- What is Independent Verification and Validation (IV&V)?

  - Oversight by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders

  - The goal of IV&V is to help the State get the solution they want based on requirements and have it built according to best practices

  - IV&V helps improve design visibility and traceability and identifies (potential) problems early

  - IV&V objectively identifies risks and communicates to project leadership for risk management

- 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 Vendor, and PCG.

    4. **Delivery of Findings** – Findings, observations, and risk assessments are documented in this monthly report and the accompanying Findings and Recommendations log. These documents are then shared with project leadership on both the State and Vendor side for them to consider and take appropriate action on.

  Note: This report is a point-in-time document with findings accurate as of the last day in the reporting period.

Appendix D – Hawaii DLIR UI PMO and Solution Vendor Comments on IV&V Reporting

IV&V Observations		
Scope and Schedule Management	**Client Comments**	**Vendor Comments**
The SPI decreased from 1.0 to 0.92 as of the June 27 project schedule. IV&V opened a new finding (#45) following a new velocity and throughput analysis, which showed that delivery remains on track only if no additional scope is added. Any further backlog growth or decreased throughput would likely delay the project. IV&V will continue to monitor for impacts on visibility into project progress and forecasting reliability.	The State acknowledges IV&V's concern regarding forecast reliability based on their analysis of velocity and throughput. However, we would like to clarify that IV&V's analysis appears to reflect velocity data from the very start of development, when the team was still undergoing initial ramp-up, backlog refinement, and environment setup. As is common in Agile system design and development and the realities of an Agile software development model, the early phases of a project are characterized by storming and norming before reaching consistent performance.

From the State's perspective, a more accurate representation of team performance comes from reviewing the last three months of velocity, which reflect a more stable cadence and delivery rhythm. This recent velocity has informed our projections and suggests that the team remains on track to meet the delivery schedule as planned, provided that no additional scope is introduced.

We continue to monitor team throughput closely and have a change control processes to safeguard the integrity of the backlog and mitigate schedule risk. Based on the current information and trajectory, the State believes the June 27 project schedule remains a reliable baseline.

We remain committed to transparency and collaboration with IV&V and will continue to engage in proactive discussions to ensure all perspectives are grounded in the evolving realities of Agile program delivery. | The Implementor is working closely with the State to refine development metrics aligned with Agile practices and velocity calculations based on approved State requirements. We understand IV&V's concerns about forecast reliability and agree that a data-driven approach is essential.
As the State noted, early development included activities like backlog setup, onboarding, and environment preparation, which affected initial velocity. We agree that the last three months provide a more accurate view of team performance, showing a steady and reliable pace.
These recent velocity trends are now guiding planning efforts and supporting alignment with the October 2026 development milestone. A change control process is also in place to manage scope and prioritize requirements without risking the timeline.
We remain committed to transparency and ongoing collaboration with the State and IV&V to ensure all metrics and risks reflect the current realities of Agile delivery. |

Solutions that Matter