PEOPLE, PROCESS AND TECHNOLOGY
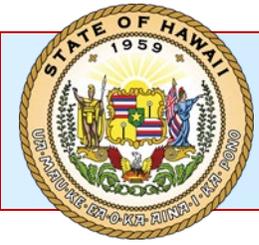
State System Implementation
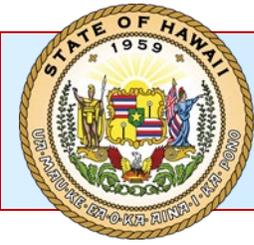
IT Systems Completed

COMPLETED - Operational	Department
Tax Modernization	DOTAX
KOLEA Medicaid System	DHS
HiMod Human Resources & Payroll	DAGS/DHRD
HiMod Time & Leave Management	DAGS-Statewide
ERS Financials	B&F-ERS
ERS Benefits Replacement	B&F-ERS
OHA Financials	OHA
PVL Ho'ala License Management System	DCCA
Health Benefits Administration System (IV&V)	B&F-EUTF
Behavioral Health Inspire (IV&V)	DOH
DOE Financial Management System	DOE
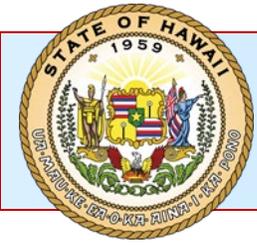
IT Systems Completed

RECENTLY COMPLETED – Operational / Developing Additional Phases	Department
Harbor Master Information System	DOT-HAR
Disability Compensation (IV&V)	DLIR
Case & Document Management System (CDMS) (IV&V)	DCCA-PUC
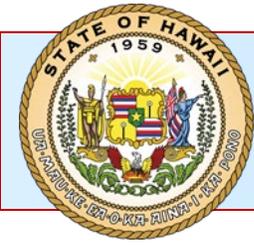
ETS IT Systems Completed

Other Major Modernizations Completed Since 2015	
Microsoft Office365 - Including Office, SharePoint, OneNote, Teams	ETS, Executive Branch Wide
Adobe eSign	ETS, Executive Branch Wide
Microsoft Azure Active Directory	ETS, Executive Branch Wide
MainFrame as a Service (MFaaS)	ETS, DLIR, DHS, DAGS, DOT, DAGS
Access Hawaii Committee Portal Infrastructure	ETS, Executive Branch Wide
Cybersecurity Endpoint Detection and Response	ETS, Executive Branch Wide
Safe Travels Digital Application	ETS, Statewide
Citizen Digital Identity Platform	ETS, Statewide
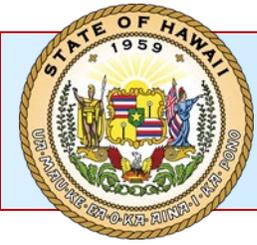
EFS Timeline Summary
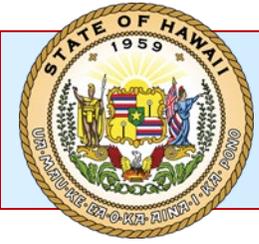
Enterprise Financial System

- RFP Development Started – May 2020

- RFP Released – November 2020

- Contract Awarded to LSI using SAP Software – November 2021
  - LSI Passed Reference Checks During Procurement

- Serious Contract Dispute Discussions Began – May 2022

- LSI Indicated it Could Not Meet Cost, Schedule or Performance Parameters - July 2022

- LSI Offers Alternatives – August & September 2022

- Change of Administrations – December 2022

- Executive Committee Decided on Termination for Convenience – March 2023
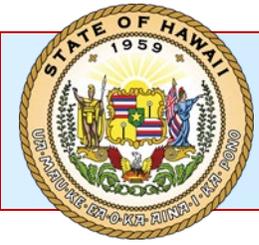
Enterprise Financial System

- Now in Risk Reduction

  - EFS Team Evaluating Business Documentation

  - Gartner Supporting Procurement Activities

  - Spire Supporting UCOA Evaluation and Departmental Needs

  - ETS Analyzing FAMIS Database for Data Extract Transform and Load

  - Evaluating How to Stage EFS Components to Get Minimum Viable Product

  - Attorney Will Be Hired for RFP and Contract Drafting Assistance

- Request Funding to Reprocure This Legislature
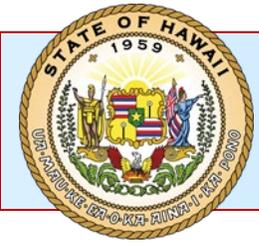
EFS Recommendations
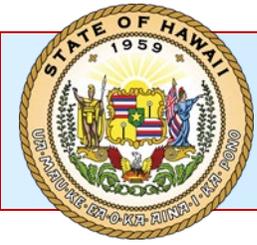
IT System Quality Assurance Plan

- Standardized
  - Enterprise Subject Matter Experts to support procurement
  - ==Independent Verification & Validation (add Earned Value Management, Risk/Action Table, Scoring)==
  - ==IT Strategy and Governance Process & Program Approval Committee==
    - ==Phase Gates in Dev as Off-Ramps (PAC approval?)==
  - Lean IX Portfolio Management of Systems and Projects
  - Project Transformation Office with Resources
  - ==IT RFP Checklists (new)==
  - ==Early ROI - Staging and MVP (Initial Operating Capability and Full Operating Capability)==
  - Contract Payments Based on Deliverables (tie to WBS)
  - Central Purchase Contracts and Procurement Price Lists
  - ==Redesign Vendor Presentation for More Rigor==

- Not Standardized
  - State Data ETL Analysis and Plan inc Vendor Role
  - Automated Testing Program Through DevOps
  - Business Process Documentation (As-Is and To-Be)
  - Special Project PMOs
  - Minimum PMO standards
  - Security Standards
  - ==Write RFP as Modular Contract Document==
  - ==IT Contract Language Standards And Requirement to Restate Requirements and Terms==
  - ==IT Attorney and IV&V Involved from RFP Draft to Contract Execution==
  - ==In House IV&V at ETS==
  - Automation and AI Focus
  - ==RACI Charts with detail for Dev and Ops with Govt Detail==
  - ==Work Breakdown Structure (state standard with order)==
  - ==Dollar/Impact Thresholds for QA Requirements==
  - ==Project Charter with Business Acceptance Criteria==
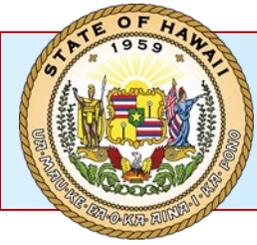
EFS – ETS Recommendations

- ETS Continue to Develop and Deploy IT System Quality Assurance Plan
- Build Minimum Viable Product
  - Split Accounting and B&F Projects, FAMIS v. Departments
- Shift Funding/Sponsorship of ERP to Comptroller (Business Owner)
- Standardize IV&V Reporting for All Systems
  - Standard Risk and Response Plans
  - Set Thresholds (Gates) for Projects to Continue
  - Look at Other States IV&V Processes
- Create IT Vendor Management Office in ETS to support all departments
  - Clean up Contract Documentation
  - ETS will use Vacant Positions to Staff
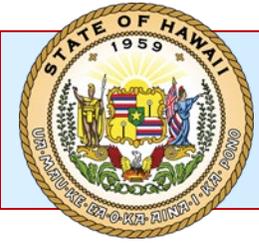
EFS – ETS Recommendations

- Require Vendors to have Key Staff in Hawai'i

- Substantial Organizational Change Management (OCM) Effort

- Outsource to Backfill Key Business Experts

- Set Up Review Gates with Requirements to Go Forward
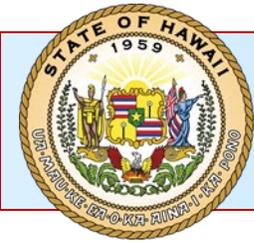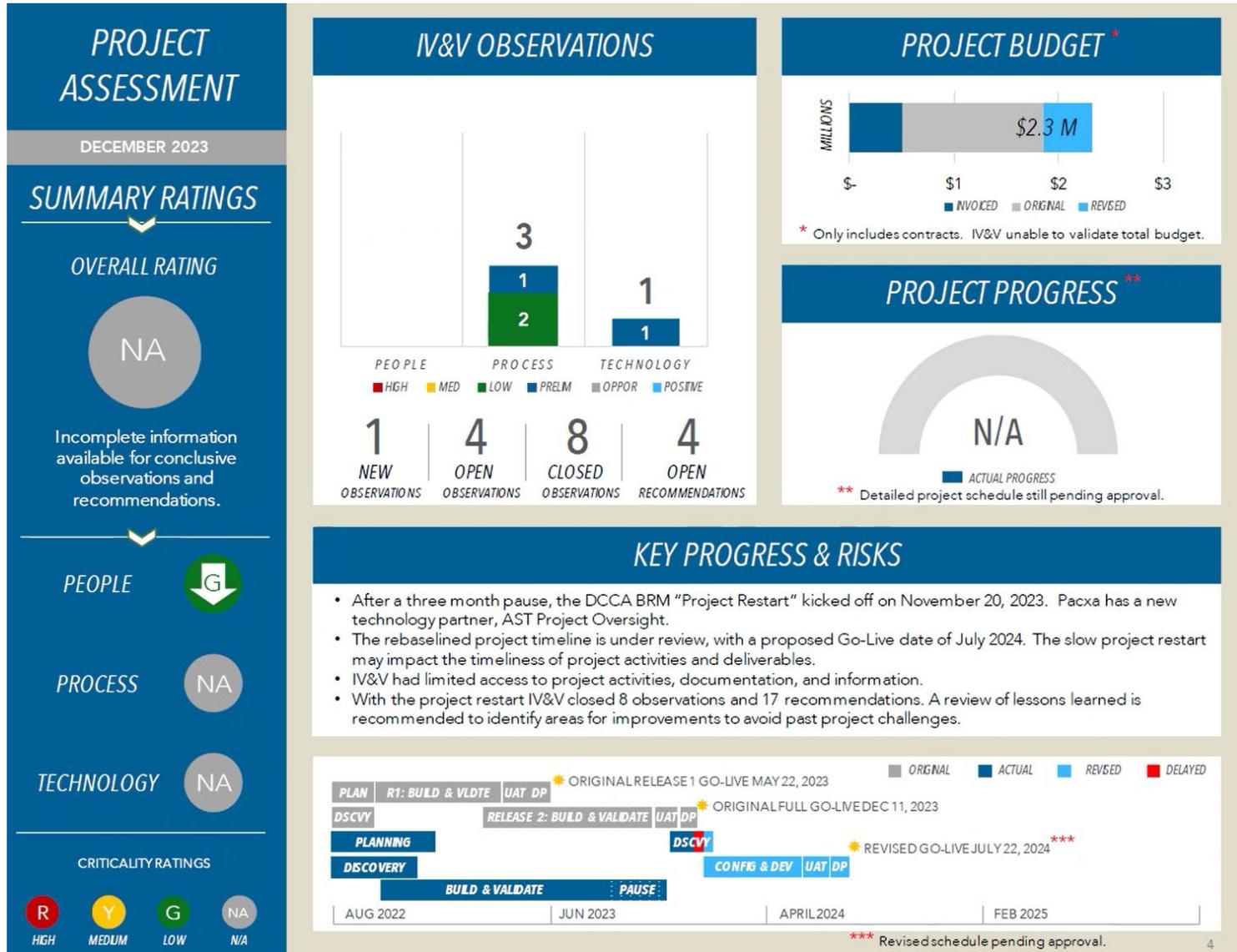
IV&V Ratings with Recommended Actions

Indicator	Risk Level	Risk Status	Impact	SI/State	ETS Recommended Action	Authority
Green +	Model		HML			
Green	Normal		HML			
Green -	Slipping		HML			
Yellow +	Acceptable By State	Accepted	HM		documented risk assessment by Div Admin	Div Adm
Yellow	Acceptable By State	Not Accepted	HML		POA&M or documented risk assessment by Div Admin	Div Adm
Yellow -	Acceptable by State	Not Accepted	HM		documented risk assessment by Dept Head	Dept Head
Red +	Unacceptable		HM		Notice to Cure Letter	Dept Head
Red	Unacceptable		HM		Show Cause Letter NLT 2 Mos @ Red	Dept Head
Red -	Unacceptable		H		Stop Work Order NLT 3 Mos @ Red	Dept Head
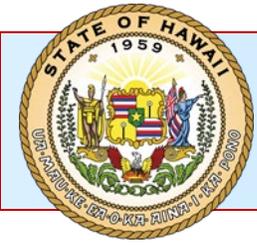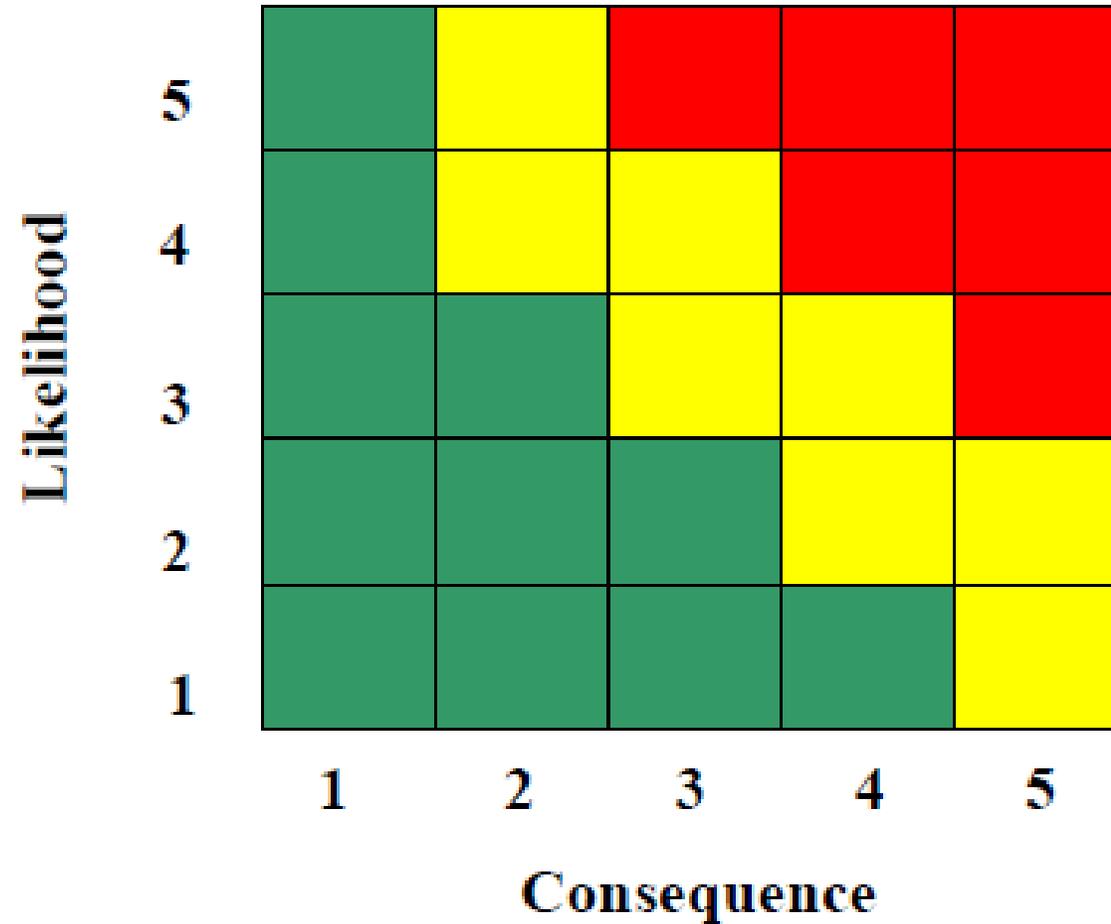
PLAN OF ACTION WITH MILESTONES TEMPLATE

PROJECT NAME	PROJECT MANAGER
Event ABC	Anthony G.

ACTION	MILESTONE	MILESTONE NO.	RESPONSIBLE	PRIORITY	STATUS	START	END	NOTES
Goal #1: Select Venue								
Identify venue options			Sally J.	High	Complete	09/30	10/02	
Visit venues			Sally J.	High	Complete	10/05	10/09	Must send contracts by 10/10
Sign contract			Maria S.	High	Complete	10/12	10/12	
Goal #2: Secure Speakers								
Recruit speakers			Sally J.	High	In progress	10/07	10/12	
Speaker bios			Sally J.	Medium	Not started	10/12	10/14	
Create and send speaker packets			Maria S.	Medium	Not started	10/13	10/16	Send to stakeholders
Confirm speakers			Sally J.	High	Not started	10/17	10/18	
Goal #3: Recruit Sponsors								
Identify sponsors			John S.	High	In progress	10/13	10/19	
Write up sponsor agreement			Maria S.	Medium	Not started	10/15	10/16	
Send emails			John S.	High	In progress	10/19	10/21	
Make cold calls			John S.	Medium	Not started	10/21	10/23	From sales team
Goal #4: Promote event								
Create banners			Morgan K.	Low	Not started	10/26	10/28	
Order swag			Morgan K.	Low	Not started	10/28	10/28	Coffee mugs, totes, pencils
Create social media strategy			Corrine J.	Low	In progress	10/13	10/26	
Make marketing materials					Not started	10/26	10/30	

2/1/2024
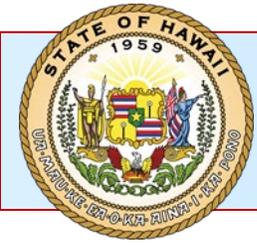
EFS Timelines
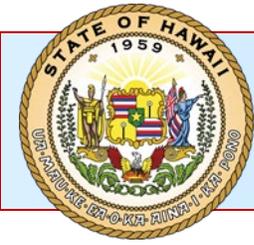
EFS RFP Timeline – Part 1

Date	K	Event
March 2020	- 20	Coronavirus Pandemic Shutdowns Begin – State Hiring Freeze
May 2020	- 18	- Development of EFS RFP begins - Review of existing RFP documents from prior enterprise solicitations for input into EFS RFP, include docs from DOT-Highways and DOE, and previous SURF effort
July 2020	- 16	- EFS requirements distributed to DAGS and BUF stakeholders for review, feedback - Survey distributed to Departments and Agencies to collect pain points, issues for RFP development
August 2020	- 15	- Industry IT research and advisory consultants (Info-Tech, Gartner) inputs/feedback into EFS RFP - Safe Travels Begins
Sep 2020	- 14	AG review of EFS RFP
Nov 12, 2020	- 12	Evaluation Committee (62) and Voting Members (7) Finalized
Nov 16, 2020	- 12	RFP Released
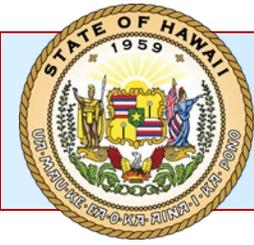
EFS RFP Timeline – Part 2

Date	K Mo	Event
Feb 9, 2021	- 9	Offers Due (four received; ArcticIT, Oracle, CherryRoad, LSI) First Evaluation Begins
Feb 10, 2021	- 9	LSI Merges with Invenio
March 2021	- 8	DOTH selects LSI for its financial system replacement
March 2021	- 8	- Priority Listed Offeror Notifications; - Vendor Demonstrations
May 17, 2021	- 6	BAFOs Submitted
July 9, 2021	- 4	2nd Round of BAFOs submitted
Nov 8, 2021	0	EFS contract ($16.5M - CIP) executed between LSI and State of Hawaii; 3-year period, with option to extend 2 additional years
Nov 24, 2021	0	EFS notice of award
Dec 1, 2021	1	Notice to Proceed sent to LSI

EFS Evaluation Committee Members

- DAGS 18 people   HOPA + 1 Voting Member

- B&F   15 people   2 Voting Members

- ETS   24 people   1 Voting Member, Purchasing Officer and Contract Administrator

- UH   2 people   1 Voting Member

- DOH   1 person   1 Voting Member

EFS Evaluation Voting Members

- DAGS   Lenora Fisher & Ebru Yilmaz-Pedro

- B&F   Craig Hirai & Neal Miyahira

- ETS   Todd Omura

- UH   Garret Yoshimi

- DOH   Janis Morita
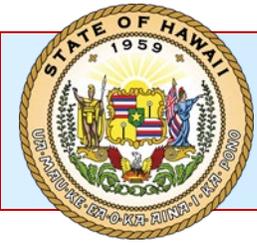
EFS Project Timeline – Part 1

Date	+	Event	Deliverable
11/29/2021	0	State Gives LSI Notice To Proceed	
1/10/22	2	IV&V RFP Released	
2/7/2022	3	Project Kickoff	[D1.1.2. $201K check date 6/8/22]
3/1/22	4	Project Standards Due	(never accepted) [D1.1.1 $504K]
3/15/22	4	Sandbox Environment Due	(accepted 5/18/22) [D1.1.3. $528K check date 7/6/22]
3/2022	4	First LSI Project Manager Replaced	
3/25/22	4	Safe Travels Ends	
3/30/22	4	GovOne Training Due 3/30/22	(accepted 5/18/22) [D1.1.3. $528K check date 7/6/22
5/6/22	6	Master Data Design (MDD) Due	(accepted 10/28/22) [D1.2.2 $423K check date 12/12/22]
5/16/22	6	B&F adds GFOA (Government Finance Officers Association) to support project	

EFS Project Timeline – Part 2

Date	K+	Event	Deliverable
5/19/22	6	LSI Data Conversion Strategy (Extract Transform Load) issue raised to LSI by state Enterprise Program Manager	
5/23/22	6	Contract Disputes Formalized: "Notice to Cure" with ETL + 4 other issues sent	
5/27/22	6	LSI Enterprise Design Document (EDD) due	(accepted 10/11/22) [Del 1.2.1 $423K check date 12/12/22]
5/31/22	6	LSI OCM Blueprint due	(Never delivered) [D1.2.4 $504K]
5/31/22	6	Final Design Deliverable due	(Never delivered) [Del 1.2.3 $605K]
6/7/22	7	State of Nevada Terminates LSI ERP Contract	
6/15/22	7	State Contracts With BarryDunn for IV&V	
6/24/22	7	LSI Development Landscape Due	(accepted 6/9/22) [Del 1.2.5 $528K check date 7/26/22]
7/1/22	8	LSI Misses Go-Live at DOTH, over 1 Year Late	Nov 2023 Go-Live also missed
7/8/22	8	Discussion of stopping project, LSI asked for alternatives	
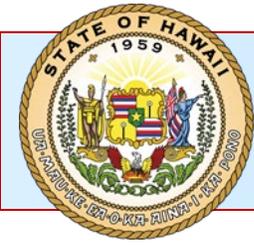
EFS Project Timeline – Part 3

Date	K+	Event	Deliverable
8/10/22	9	LSI presents new approach with 10/24 GoLive – no cost estimate – Executive Committee asks for cost and impacts	
8/11/22	9	Second LSI Project Manager Replaced	
8/12/22	9	BarryDunn Starts IV&V Initial Assessment	
8/23/22	9	LSI presents again, new approach, no-cost change but significant capability reduction and schedule changes (10/2024 GoLive) – Executive Committee rejects	
9/13/22	10	First IV&V Report recommends to stop project or reset with changes	
9/30/22	10	CIO Briefs Executive Committee with Stop or Reset Options, need for additional funding request, contract hard expiration date Nov 2026	
11/4/22	12	Governor Ige Briefed by Executive Committee	
12/1/22	13	New LSI Organizational Change Manager	
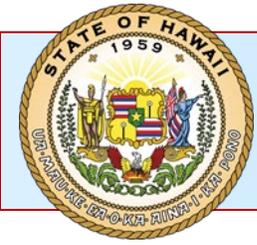
EFS Project Timeline – Part 4

Date	K+	Event	Deliverable
12/5/22	13	Green Administration Begins	
12/14/22	13	New Executive Committee meets first time	Project 9+ months behind
1/13/23	14	BarryDunn IV&V Presentation to Executive Committee	Also 2/2/23 and 3/29/23
3/3/23	16	ETS Project Manager presented "reset" recommendations to new executive committee	
3/26/23	16	Termination for Convenience (except for SAP software licenses)	
6/29/23	20	Full Termination	
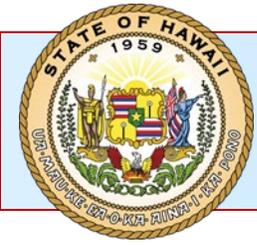
BACKUPS
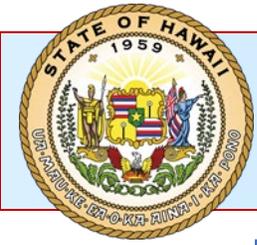
IT Systems Under Development

COMPLETED - Operational	Department
Statewide Enterprise Financial System (IV&V)	DAGS-Statewide
Benefits Eligibility System (IV&V)	DHS
DOT-HWY Financial Management System (IV&V)	DOT-HWY
BRIMS Business Registration Modernization (IV&V)	DCCA
E-Procurement System	DAGS-SPO
KEIKI Child Support Enforcement Re-platform (IV&V)	ATG
Immunization Registry	DOH
Medicaid Health Analytics Program (IV&V)	DHS
Vital Records Management Information System	DOH
Unemployment Insurance Re-procurement (IV&V)	DLIR
Child & Adult Welfare (IV&V)	DHS
Corrections Management (IV&V)	PSD
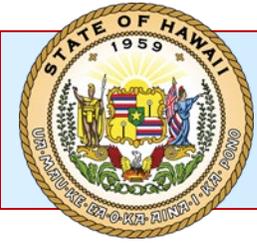
De-Risking EFS Part 1

FAMIS / Datamart Systems
- Created documentation for existing systems.
- Successful proof-of-concept to migrate legacy data to a modern database.

Department Engagement and Requirements Gathering
- Partnered with a local accounting firm for GAAP/GASB modernization and UCOA transition support.
- 93 meetings have been held with departments, 23 remaining for process documentation.

Procurement of Acquisition Support Services (PASS)
- Vendor engaged to support the procurement lifecycle. (requirements development, solicitation development, evaluation support, cost, and price analysis, etc.)
- Vendor experienced in nationwide public sector ERP projects and all ERPs suitable for State Government.

Scope of Project
- Clearly defined business capabilities and systems in scope.
- Phase rollout with Minimal Viable Product for FAMIS replacement.
- EFS Scope focused on Accounting and Finance, while BUF has separate projects, reducing risk to both initiatives.
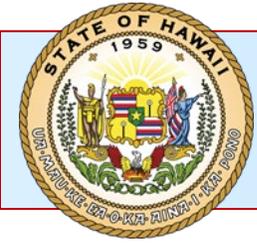
Organizational Change Management
- Identified as a critical success factor for the EFS Project.
- Active engagements with all departments to build awareness.
- Activities: townhalls, listening sessions, vendor demos.
- Key team members have earned the Prosci Certified Change Practitioner Certification.

EFS Project Team
- Staffed with 21 State employees, including 13 dedicated to EFS.
- 4% vacancy rate, expecting to fill 1 position in February.
- Identifying SMEs in departments for support.

Request for Information
- An RFI was issued on 1/25/2024 to help gather industry feedback requirements, understand options, garner interest from various vendors.
- Engaged with other public sector agencies across the US for lessons learned and to get feedback from their modernization initiatives.
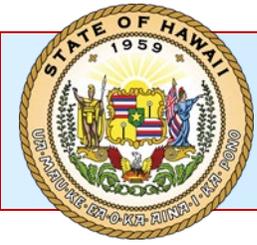
Work Breakdown Structure
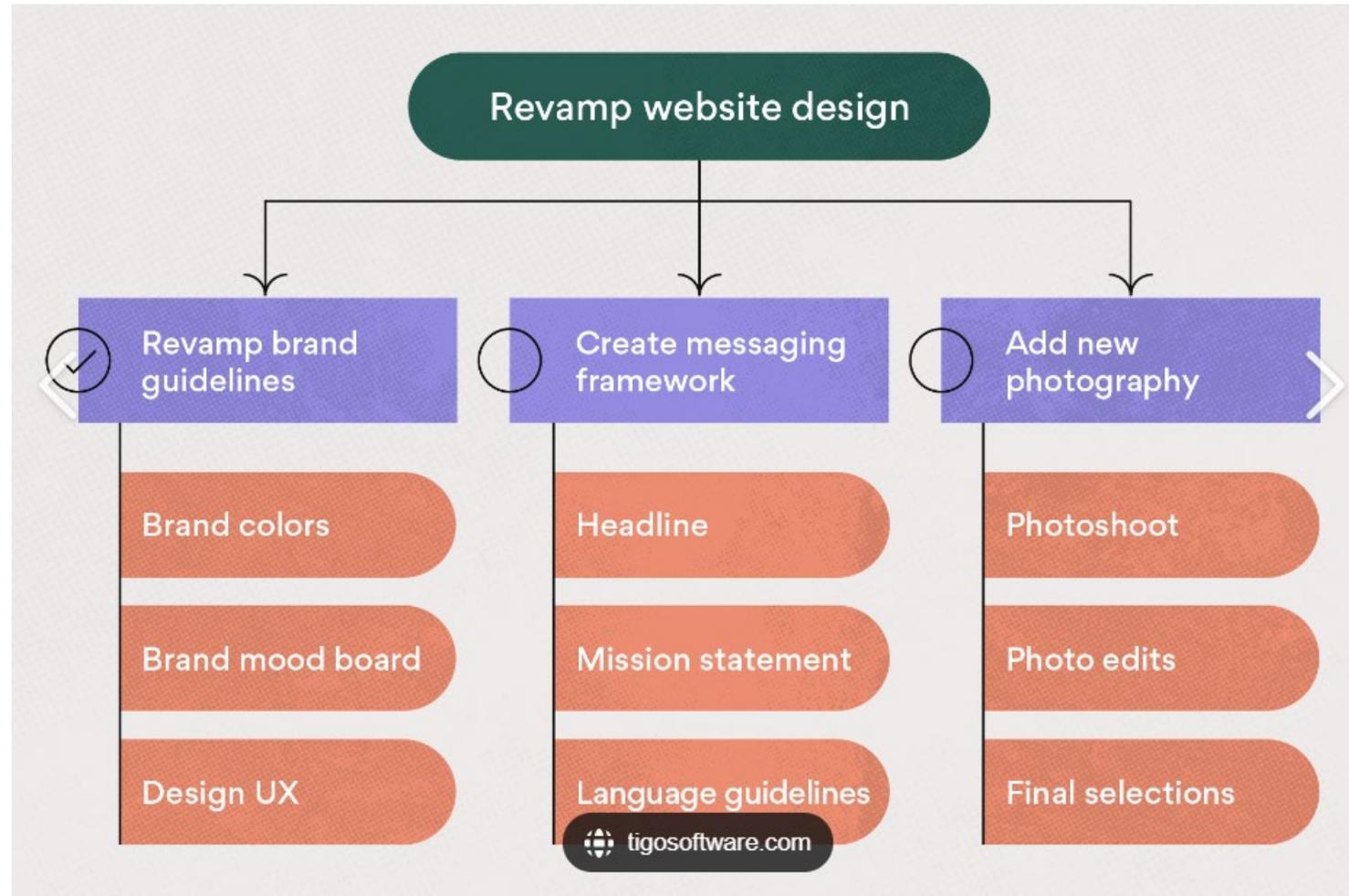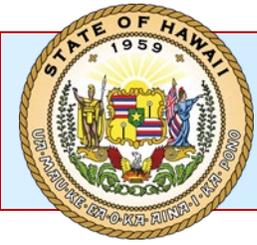
EFS Project Kickoff Slides

• Project Team Roles
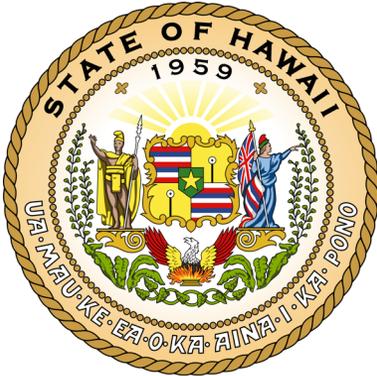
Role	Responsibilities
Project Management Team	• Maintain Project Schedule and Monitor Status • Facilitate Decision Making • Support Team
Functional Lead - SOH	• Communicate Business Requirements • Facilitate Business Process Definition • Facilitate Communication within DOTH functional team • Support Testing Efforts • Lead Data Gathering for Conversion
Functional Lead – invenioLSI	• Facilitate Business Process Definition and Requirements Definition • Configure System to Meet Business Requirements • Guide Testing Efforts • Identify and Close System Gaps
Functional Team - SOH	• Communicate Requirements • Support Testing Efforts • Support Communication

• Core Team Members
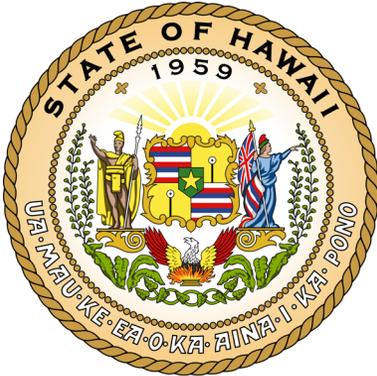
State of Hawaii

Name	SOH Position	Project Roles
Curt Otaguro	Comptroller	Executive Sponsor
Craig Hirai	Director of Budget & Finance	Executive Sponsor
Douglas Murdock	CIO	Executive Sponsor
Brian Frey	Enterprise Program Manager	Program Manager
TBD	TBD	Project Manager
Keith Kogachi	DAGS Audit Administrator	Functional Manager

invenioLSI

Name	Project Role
Nader Tirandazi	Executive Sponsor
Monette Mcnicholas	Solution Architect
Tatiana Pankrats	Account Executive
Carlton Rice	Project PMO
Yatin Thakkar	Program Manager
Christy Sprinkles	Functional Lead

IV&V Slides

EFS Project and BerryDunn Engagement History

Date	Milestone
November 2021	The State contracted with invenioLSI (LSI) to provide system integration services for the EFS Project.
June 2022	The State contracted with BerryDunn to provide IV&V services for the EFS Project.
August 2022	BerryDunn submitted an IV&V Management Plan to the State, describing BerryDunn's approach to IV&V services.
August 2022	BerryDunn started its Initial Assessment of the EFS Project.
September 2022	BerryDunn verbally presented its Initial Assessment findings to the State and LSI, which included a recommendation to either: 1) **End the current iteration of the EFS Project,** to allow the State to take time to regather requirements and fully document State resource constraints and expectations for system implementation vendors in addressing these constraints. Or 2) **Continue with the current EFS Project approach but extend the Core Phase go-live date,** and address critical issues related to system requirements validation, stakeholder engagement, contractual gaps, workplan development, and resourcing constraints.

EFS Project and BerryDunn Engagement History

Date	Milestone
September 2022	BerryDunn provided a written draft of its Initial Assessment findings to the State and LSI.
September 2022	BerryDunn provided a written final version of its Initial Assessment findings to the State and LSI (published here).
October 2022 – February 2023	BerryDunn submitted and presented five monthly IV&V reports to the State and LSI (published here).
January and February 2023	As a result of State leadership staffing changes due to the recent administration change, BerryDunn presented its past findings and recommendations to incoming State executive steering committee members during two separate meetings.
March 2023	The State notified BerryDunn of its plans to terminate the State's contracts with LSI and BerryDunn.
March 2023	BerryDunn presented key challenges experienced by the EFS Project and recommended next steps (from BerryDunn's perspective) to State executive steering committee members.

The following two slides (slides 4 and 5) contain the key challenges experienced by the EFS Project and recommended next steps, as developed and presented by BerryDunn to the EFS Project State executive steering committee members in March of 2023.

Key Challenges Experienced by the EFS Project
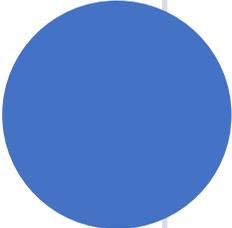
None of the initial project management deliverables were delivered when planned

- **Project Charter**
- **Project Staff Management Strategy**
- **Project Document Management Strategy**
- **Project Issue and Risk Management Strategy**
- **OCM Strategies**
- **Project Quality Management Strategy**
- **Project Schedule Management Strategy**
- **Project Scope Management Strategy**
- **Project Work Plan**
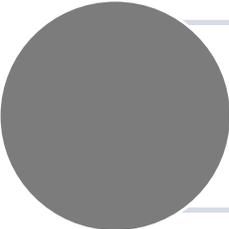
invenioLSI deliverables submitted did not meet State quality expectations
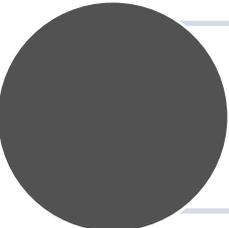
RFP requirements included minimal input from end-user departments
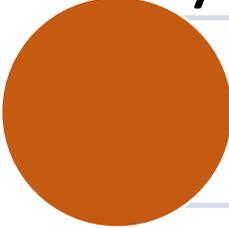
EFS Project engagement with end-user departments were insufficient
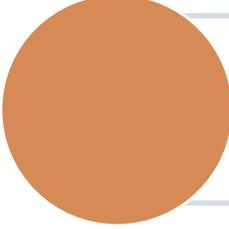
Roles/responsibilities were not agreed upon between the State and invenioLSI
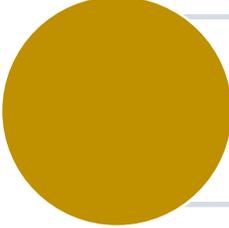
State resources were largely not available to contribute to EFS Project tasks
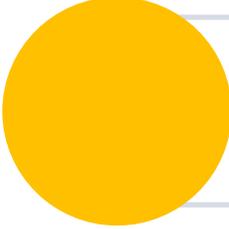
EFS Project over relied on consultants to complete State's tasks
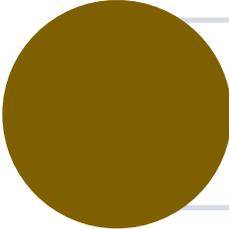
Turnover of several key State/invenioLSI resources occurred

Recommended Next Steps

Next Steps	Major Tasks	Strategies for Success
Gain buy-in on new approach with end-user departments	o Communicate revised approach to end-user departments o Revise EFS Project charter with approval from end-user departments	o Conduct retrospective/townhall sessions with stakeholders previously involved in EFS Project to gather feedback, provide clarity, and build confidence in new approach
Agree upon State Resourcing Commitments	o Work with departments to identify resources o Establish resource expectations with departments o Develop staff augmentation strategy to fill State resourcing gaps	o Develop a governance model that includes functional decisions makers, SMEs, technical leads, end-user department sponsors, etc.
Gather new EFS Requirements	o Document current business process workflows for all end-user departments o Conduct comprehensive requirement gathering sessions with input from all end-user departments	o Use the comprehensive workflows and requirements to inform configuration of the EFS in a manner that meets all end-user department needs
Draft New RFP for EFS System Integrator	o List in-scope end-user departments o Communicate limitations on State resource availability o Provide comprehensive requirements and workflows o Delineate clear responsibilities for EFS system integrator and State	o Include all members within new governance model to review and approve RFP prior to posting o Incorporate lessons learned from previous procurement effort
Restart EFS Project	o Confirm system integrator contract contains clearly defined roles/responsibilities, tasks/phases/deliverables, and deadlines o Establish awareness and gain buy-in from end-user departments throughout the EFS Project	o Establish a full PMO to oversee the EFS Project

Questions and Discussion

Delivered IT Systems