Request for Proposal for Financial Controls Review Services_09-26_NK

Date of Release: September 8th, 2026

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1. General Information

1.1. Request for Proposal (RFP) Objective

The objective of ERCOT in this procurement engagement is to identify and contract with a qualified professional accounting firm to provide recurring reviews of ERCOT's internal controls over financial reporting (ICFR) under a six (6)-year agreement. Comprehensive reviews shall be performed twice during the contract term, in Year 1 and Year 4, including risk assessment, gap analysis, operational effectiveness testing, and final reporting for each review cycle.

Electric Reliability Council of Texas (ERCOT) will be using Workday Strategic Sourcing (WSS) to manage the submission process for this RFQ. To participate, each respondent is required to create a free supplier account with Workday Strategic Sourcing by accessing the following link and following the instructions for new account creation: https://ercot.us.workdayspend.com/rfps/public/1287331

1.2. Strategic Elements

1.2.1. Contract Term

ERCOT intends to award a six (6)-year contract. Comprehensive Internal Controls over Financial Reporting (ICFR) reviews will be performed approximately every three (3) years during the contract term, with planned assessment cycles in Year 1 and Year 4. ERCOT reserves the right to adjust the timing of each assessment based on operational needs with no change in quoted pricing so long as the scope remains consistent.

Any contract issued as a result of this solicitation is subject to cancellation, without penalty, either in whole or in part, for breach of contract. Such a contract may also be canceled by ERCOT for convenience upon a thirty (30) day written notice.

1.3. ERCOT Point of Contact

The sole point of contact for inquiries concerning this RFP is:

Nicholas Kimmel
ERCOT
2705 West Lake Drive
Taylor, Texas 76574
Nicholas.Kimmel@Ercot.com

All communications relating to this RFP must be directed to the specified ERCOT Point of Contact. All other communications between a Respondent and ERCOT staff concerning this RFP are prohibited. Failure to comply with this section may result in ERCOT's disqualification of the proposal.

Respondents who

1.4. Procurement Timeline

Procurement Timeline	
RFP Release Date	September 11, 2026
Optional Notice of Intent to Propose Due	September 18, 2026

Procurement Timeline	
Respondent Questions Due	September 23, 2026
Response to Respondent Questions Sent	October 1, 2026
Respondent Proposals Due	**October 12, 2026**
Respondent Presentations (if needed)	October 12-22, 2026
Anticipated Contract Award	December 2026
Anticipated Contract Start Date	January 01, 2027

2. Scope and Requirements

2.1. Project Scope Overview

ERCOT is seeking the services of qualified independent accounting firm to conduct a review of its internal controls over financial reporting to provide assurance to management that its controls are designed appropriately and that they operate effectively and continuously.

2.1.1. Internal Controls Over Financial Reporting Review Services –

An independent auditor annually performs an audit of, and issues an opinion on, ERCOT's financial statements comprised of comparative statements of financial position, statements of activities, statements of cash flows and related notes to the financial statements. The annual ERCOT audit **does not** include an integrated evaluation of internal controls over financial reporting.

ERCOT desires a comprehensive review of its internal controls over financial reporting to provide an evaluation to management and the Board about its controls environment, including the design and operating effectiveness. This engagement should, at minimum, provide

- 2.1.1.1. Analysis and recommendations to the appropriateness and effectiveness of the controls environment
- 2.1.1.2. Evaluation and analysis to determine if risks are appropriately identified
- 2.1.1.3. Evaluation and analysis to determine if controls are in place to effectively address those risks and that the controls as designed address the risks identified, and that the controls themselves are operating effectively
- 2.1.1.4. Evaluation and analysis to determine if financial information and results are gathered and communicated appropriately
- 2.1.1.5. Evaluation and analysis to determine if ongoing monitoring activities are sufficient for an entity of ERCOT's size
- 2.1.1.6. A written draft report which includes a design gap assessment, an entity level control gap assessment, and an operating effectiveness of controls assessment
- 2.1.1.7. A final written report and presentation materials for Board discussion

ERCOT expects that most engagement fieldwork will be conducted between August and October.

All pertinent financial records are maintained at ERCOT's Austin location and fieldwork may be completed remotely with ERCOT's prior written approval. ERCOT requests that suppliers outline their methodology for completing field work onsite, remotely and in a combination of onsite and remotely.

2.2. General Requirements

- Respondents must provide information regarding their ability and willingness to conduct portions of the review remotely; including the ability to securely share sensitive information and collaborate between sites.
- Respondents must identify their proposed engagement manager and any staff to be engaged on the project.
    - If specific staff cannot be identified, the respondent must provide an explanation and identify the median years of experience for their engagement teams.
- In their responses to this RFP, Respondents must describe in detail the methodology and approach to meeting the requirements of this RFP.
- Respondents must provide a Gantt chart or project schedule for completing each set of deliverables, key milestones, or scope requirements described herein
- In their responses to this RFP, Respondents must provide the following information:
    - Acceptance process and criteria. What defines "success" and "acceptance?" What are the specific time frames on acceptance, and what happens at each stage to officially accept or indicate nonconformance.
    - Remedy for deliverables not accepted/failed deliverables. If the above is not met, what will Respondent do to remedy/fix the issues? What are the Respondent's obligations?
    - Escalation process. What is the process and who are the key contacts (with contact information) for ERCOT to reach out to if there is a project issue
    - Key resources and their location. Identify key resources and where they will be located (onsite and/or remote).
    - Responsibility Assignment Matrix (RACI Matrix). Provide the roles and responsibilities of the Respondent’s team and ERCOT’s team (can be provided as a separate document).
    - Project close-out process. Identify what training, warranty, and hand-off support is provided at the end of the project.
    - Rate card of standard hourly rates by resource title to be referenced if any additional work is required.
- The awarded supplier must provide a project manager or lead who has decision-making authority and who will assume responsibility for coordination, control, and performance of this effort.
- Any changes to key personnel associated with the subsequent contract must be submitted in writing and approved in writing by ERCOT.
- The awarded supplier must provide an organizational chart and list of the supplier’s corporate chain-of-command, as well as any established procedures for contacting individuals within that chain-of-command.
- For the avoidance of doubt, Respondents may submit proposals for one or multiple of ERCOT's Audit Services and Tax Services solicitations as applicable. Selection for one engagement does not guarantee or preclude selection for the other.
    - Respondents are responsible for ensuring compliance with all applicable auditor independence requirements, including the AICPA Code of Professional Conduct and other applicable professional standards. Respondents shall disclose any actual, potential, or perceived conflicts of interest or independence impairments that may arise from providing both audit and tax services to ERCOT and its subsidiary companies.
    - Each Respondent shall describe the policies, procedures, and safeguards it would implement to maintain auditor independence, including the segregation of personnel, engagement quality review procedures, and any limitations on the

scope of tax services that would be necessary if the Respondent is also selected as ERCOT's independent auditor.

- ERCOT reserves the right to evaluate independence considerations as part of its proposal evaluation process and may award the Audit Services and Tax Services contracts to different Respondents if ERCOT determines that doing so is in its best interest or is necessary to preserve auditor independence.

2.3. Qualifications

2.3.1. Financial Controls Review Services

Responding firms must possess at least 10 years of previous experience. Median experience for engagement teams on each engagement (excluding senior managers) must be at least two years to be considered for this scope of work.

2.3.1.1. Firm Qualifications

Through its RFP response, each respondent must demonstrate to ERCOT the following firm qualifications:

- Respondents are required to provide detailed description of their own ability to deploy appropriate resources to serve the needs of ERCOT as described in the Scope of Work, above
  - Please describe your methodology for conducting this engagement onsite, remote or with a combination of onsite and remote fieldwork.
- Past experience relevant to this potential engagement
- Applicable licenses to operate in the state of Texas
- Respondent must possess a secure data collection and collaboration tool for fieldwork may be completed remotely. Respondents must detail the functionality of this tool in their RFP response.

2.3.1.2. Individual Staff Qualifications

Each respondent must provide biographies for staff expected to be deployed on the ERCOT engagement, detailing the following.

- Past business experience; with particular emphasis on nonprofit experience.
- Tenure with the company and level of experience (associate, junior partner, etc.)
  - At a minimum, respondents must provide the median tenure of the team supporting ERCOT, if individual team members cannot be identified at this time.
- Educational background; including any relevant certifications
- City and state from which staff working on the engagements will be deployed
  - Preference may be given to firms utilizing local resources.
- Any other information respondent deems relevant

2.4. Deliverables

The responding firms shall provide the following deliverables for each ICFR assessment.

- Initial Risk Assessment as described in 2.1.1.1 and 2.1.1.2
- Design Gap Assessment and Entity level control gap assessment as described in 2.1.1.3
- Operational Effectiveness Testing / Field work as described in 2.1.1.3
- Draft report for discussion with management as described in 2.1.1.6
- Final written report as described in 2.1.1.7
- It is expected that there will be a minimum of four (4) presentations –
- Communicating the engagement work plan
- Delivering the draft report to ERCOT staff by middle of October of the assessment year
- Delivering the final report to ERCOT staff by end of October of the assessment year
- Delivering the final report to the Finance and Audit Committee of the ERCOT Board of Directors on December of the assessment year

2.5. Cost Proposal

The Cost Proposal must be based on the Scope of Work described in Section 2. This section should include any business, economic, legal, or practical assumptions that underlie the Cost Proposal. Respondents may separately identify cost-saving and cost-avoidance methods and measures and the effect of such methods and measures on the Cost Proposal and Scope of Work.

Respondents must utilize the Cost Proposal worksheet in Workday Strategic Sourcing for submitting a Cost Proposal. Respondents may opt to propose additional optional cost proposals if such proposals are more cost effective (i.e., time and materials cost structure, etc.) for ERCOT as a part of their Proposal.

Respondents are encouraged to identify discounts and operational efficiencies for a six-year contract term by providing separate cost tables for each service period, as applicable.

Tiered pricing with Discounts for the award of multiple audit engagements should also be identified by respondents.