



Request for Proposal for 401k-Investment_Consultant_10-26_NK

Date of Release: October 7, 2026

Table of Contents

1. General Information	2
1.1. Request for Proposal (RFP) Objective	2
1.2. Strategic Elements	2
1.3. ERCOT Point of Contact	3
1.4. Procurement Timeline	3
2. Scope and Requirements	3
2.1. Project Scope Overview	3
2.2. Qualifications	5
2.3. Deliverables	5
2.4. Required Proposal Information.....	6
2.5. Cost Proposal	9
2.6. Joint Proposals	9

1. General Information

1.1. Request for Proposal (RFP) Objective

ERCOT (Electric Reliability Council of Texas, Inc.) is an independent, nonprofit corporation responsible for operating the electric grid and administering the competitive wholesale and retail electricity markets for most of the State of Texas. ERCOT's primary offices are in Austin and Taylor, Texas. Additional information about ERCOT is available at www.ercot.com.

The purpose of this Request for Proposal ("RFP") is to invite qualified investment consulting firms ("Respondents") to submit proposals to provide investment consulting services in connection with the ERCOT 401(k) Savings Plan (the "Plan").

ERCOT's objectives for this engagement are heightened fiduciary and compliance support for the Plan and its fiduciaries, an expanded participant education program commensurate with a highly engaged workforce, and continued reduction of total Plan cost without sacrifice of investment quality.

Upon receipt of a timely Intent to Bid Notice and an executed Non-Disclosure Agreement, ERCOT will furnish the Respondent with the Plan Data Sheet, which contains confidential Plan information that is not published with this RFP. ERCOT will furnish the same data package to every qualifying Respondent on identical terms. Respondents should rely on the Plan Data Sheet, rather than on information obtained through any prior contact with ERCOT, in preparing their proposals.

The Plan's recordkeeping and trustee services are not within the scope of this RFP.

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.workdaysspend.com/rfps/public/1303194>

This RFP will be governed by the terms laid out in "RFP Terms and Conditions_2026_08_18," which will be made available in WSS.

1.2. Strategic Elements

1.2.1. Contract Term

ERCOT intends to award a contract resulting from this solicitation for an initial term of three years from date of award as necessary to fulfill the goals of this Request for Proposal (RFP).

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 communication relating to this RFP must be directed to the specified ERCOT Point of Contact via email or WSS. 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.

Procurement Timeline	
RFP Release Date	October 07, 2026
Notice of Intent to Propose Due	October 16, 2026
Respondent Questions Due	October 21, 2026
Response to Respondent Questions Sent	October 26, 2026
Respondent Proposals Due	October 30, 2026
Respondent Presentations (if needed)	November 2-6, 2026
Anticipated Contract Award	November 12, 2026

2. Scope and Requirements

2.1. Project Scope Overview

ERCOT is seeking a firm to provide services as a fiduciary advisor to ERCOT's Retirement Plan Committee, providing objective guidance on investment policy, planning design considerations, fund selection and monitoring, fee benchmarking, participant education, compliance support, and ongoing oversight of all investment-related responsibilities under ERISA. The consultant will review and update the investment policy statement, assess and monitor all plan investment options, support searches for new managers and providers, deliver quarterly reporting and annual education programs, maintain thorough fiduciary documentation, and advise on regulatory changes and cybersecurity expectations, with optional services available for participant advice, supplemental communications, and discretionary 3(38) management.

2.1.1. Services to be provided

- The Respondent will provide objective investment advice to support the Retirement Plan Committee's decisions on selecting and retaining investment options, while formally acknowledging fiduciary status under ERISA Section 3(21)(A)(ii) and providing all required ERISA 408(b)(2) disclosures.
- The Respondent will review, update, and periodically revise the Plan's investment policy statement—including all appendices, benchmarks, and monitoring criteria—to align with ERISA fiduciary standards, obtain ERCOT approval, and adhere to the policy once adopted.
- The Respondent will evaluate the appropriateness of all existing investment options under ERISA and the investment policy statement, including analysis of

the QDIA, stable value structure and costs, share class selection, menu redundancy, and any recordkeeper-affiliated products.

- The Respondent will assist ERCOT staff and the Retirement Plan Committee with due diligence and search for new fund managers, investment options, and managed account providers.
- The Respondent will monitor investment performance and costs, provide comparative fee benchmarking consistent with ERISA requirements, and deliver an annual written assessment of the reasonableness of each service provider's compensation.
- The Respondent will participate in quarterly Committee meetings, present quarterly investment results, and attend the annual strategic planning session.
- The Respondent will design and deliver an annual, non-product-specific participant education program—both in person and virtual—with tailored content tracks and measurable outcomes reported to the Committee.
- The Respondent will provide one-on-one investment education to participants, in person and virtually, at agreed-upon intervals, with focused attention on those nearing retirement or holding substantial account balances.
- The Respondent will maintain complete records of its activities and supply documentation enabling ERCOT to demonstrate compliance with its fiduciary obligations under ERISA.
- The Respondent will provide annual fiduciary training, support the creation of Committee minutes and decision logs, and maintain a fiduciary file documenting the process behind each investment and provider decision.
- The Respondent will support ERCOT in overseeing Plan compliance matters within its role, including review of participant disclosures, QDIA notices, 404(c) reliance, forfeiture practices, and brokerage-window policy.
- The Respondent will benchmark recordkeeping and trustee fees and services within 180 days and assist ERCOT in negotiating terms with the current recordkeeper and trustee.
- The Respondent will maintain and, upon request, demonstrate a cybersecurity program aligned with DOL guidance, including encryption standards, access controls, incident-response procedures, and timely breach notification.
- The Respondent will advise the Committee on proxy-voting and ESG-related policies consistent with applicable DOL regulations and grounded in pecuniary factors.
- The Respondent will advise ERCOT and the Committee on SECURE 2.0–related plan design and administrative provisions relevant to its investment consulting role.

2.1.2. 401k Scope

- Approximately \$542.8 million in participant-directed investment options as of December 31, 2025 (approximately \$546.8 million including participant loans), with an average account balance of approximately \$403,000.
- Employer contributions of approximately \$22.4 million in 2025; total annual contributions, including participant deferrals, will be provided once ERCOT receives a signed MNDA.
- Employer contributions consist of a fixed nonelective contribution equal to 10 percent of eligible compensation and a discretionary matching contribution.
- Automatic enrollment and automatic annual escalation (to a maximum of 6 percent) as elective design features; the Plan was established before December 29, 2022 and is not subject to the automatic enrollment mandate of Internal Revenue Code Section 414A.

- Participant-directed investments, intended to satisfy ERISA Section 404(c).
- Thirty-one designated investment alternatives, consisting of seventeen core mutual funds and collective investment trusts (thirteen equity; four fixed income and stable value) and the fourteen-fund T. Rowe Price Retirement Trust series, which serves as the qualified default investment alternative, together with a Fidelity Brokerage Link self-directed brokerage window.
- Recordkeeper: Fidelity Investments Institutional Operations Company, Inc.; Trustee: Fidelity Management Trust Company; managed account service: Fidelity Personalized Planning & Advice (Strategic Advisers LLC).
- Quarterly investment review with the ERCOT Retirement Plan Committee, which operates under a Board-approved charter and an adopted investment policy statement, effective November 6, 2013 and most recently reviewed March 24, 2025.
- 1,346 participants with account balances as of December 31, 2025.
- All regular employees are eligible on date of hire. Leased employees and other contingent workers are not eligible.

2.2. Qualifications

2.2.1. Respondent

The Respondent, and each entity that will provide investment advice to the Plan or to participants, must be an investment adviser registered under the Investment Advisers Act of 1940 and must acknowledge in writing its fiduciary status under ERISA with respect to the services described in this RFP. A securities broker-dealer or a bank may participate only through an affiliated registered investment adviser that would serve as the contracting party and fiduciary.

2.3. Deliverables

2.3.1. Required Proposal Format

The following topics constitute the mandatory order of presentation for a proposal:

- Executive Summary
- Table of Contents
- Requested Contract Terms and Conditions; Proposal Description of Services, Including the Information Required under Section 2.4
- Pricing, Including the Information Required under Section 2.5 and a Completed Pricing Form within WSS
- Conclusion

The narrative response to Section 2 may not exceed thirty (30) pages, exclusive of the Cost Proposal, required documents, sample reports, and regulatory filings, which may be furnished as attachments.

2.3.2. Required Documents

Prior to contract execution, the Respondent must furnish ERCOT a Certificate of Insurance evidencing the coverages required by the contract. To confirm that the Respondent's proposal is authorized and valid, an authorized officer of the Respondent must complete and sign the Signature Page (Appendix A), included as a separately signed PDF with each proposal.

2.4. Required Proposal Information

2.4.1. Company Information and Professional Qualifications

- Provide contact information for the individual(s) responsible for coordinating requests for information and receiving additional information or responses to questions, including name, mailing address, phone number, and email address.
- Provide a company profile, including: (a) location of primary office(s); (b) brief history; (c) biographies of key executives, describing relevant experience and tenure with the firm; (d) year established and years providing services of the type requested in this RFP; (e) customer base; (f) assets under advisement, broken down by plan size, plan type, and type of business; and (g) the assets under advisement and number of retirement plan clients of the specific entity and office that will deliver the proposed services.
- Provide names and resumes for specific employees who will perform, or provide primary support for, the proposed services.
- Provide the location(s) of offices that will provide, or provide primary support for, the proposed services.
- Provide full disclosure of any lawsuits or other legal or regulatory disputes involving services provided by the Respondent, including any within the last five years.
- Describe your firm's information-security program and data-privacy practices as they relate to plan sponsor and participant data, including any relevant third-party security certifications (e.g., SOC 2 Type II) and your incident/breach-notification procedures.

2.4.2. Services and Capability

- Describe the services your company will provide in accordance with Section 2 of this RFP.
- Identify any specific requirements in this RFP with which the Respondent is unwilling or unable to comply and provide a detailed explanation.
- Explain your firm's experience advising 401(k) plan sponsors and other ERISA fiduciaries.
- Explain the composition and source of your firm's performance-measurement database, the indices used for comparison, and the software systems/databases your firm uses.
- Provide a sample quarterly report appropriate for the Retirement Plan Committee.
- Describe your firm's experience with plans record kept by Fidelity, including fund-change and mapping procedures on the Fidelity platform and prior negotiations of Fidelity recordkeeping and trustee agreements.
- Provide an outline of your proposed participant education program, including format, content tracks, cadence, staffing, and the metrics by which you propose that its effectiveness be measured. A detailed program plan will be required following award.
- Describe your approach to supporting the Plan's compliance obligations and provide a sample fiduciary training agenda and a sample annual fee-reasonableness report.
- Describe the expected level of support required from ERCOT resources (staff, facilities, software, etc.) to deliver the proposed services.
- Recognizing that participant-facing technology is provided principally by the Plan's recordkeeper, describe any technology and participant-facing digital

tools (e.g., mobile access, participant portals, digital advice tools) that your firm or its partners make available, if any, and how they would be integrated with the Plan's recordkeeping platform.

- Provide any additional information that may assist ERCOT in its evaluation and selection process.
- Provide a copy of your company's current Form ADV (Parts 1 and 2) and Form CRS, as applicable.

2.4.3. References

- Provide at least three (3) current client references (clients similar to ERCOT) that have used the Respondent's services in a similar capacity to those described in this RFP. Include each reference's company name, address, phone number, and the name and title of an authorized contact.
- Provide at least two (2) former client references (clients similar to ERCOT) that have used the Respondent's services in a similar capacity to those described in this RFP. Include each reference's company name, address, phone number, and the name and title of an authorized contact.

2.4.4. Investment Policy and Guidelines

- Provide an outline of the steps your company would follow in developing an Investment Policy Statement for a 401(k)-plan similar to the Plan. How often should it be updated?
- What are the required and optional components of an Investment Policy Statement for a 401(k)-plan similar to the Plan?
- Describe your company's approach to indexed versus actively managed investment options in a 401(k)-plan similar to the Plan.
- Describe your firm's approach, if any, to advising plan sponsors on the consideration of ESG factors and proxy-voting policy in the investment selection and monitoring process, consistent with the Department of Labor regulation in effect at the time advice is rendered.

2.4.5. Fund Selection and Retention

- What procedure and criteria does your company follow when selecting additional investment options for a 401(k)-plan similar to the Plan? How long does this process take, and how do you screen candidates?
- What procedure and criteria does your company follow regarding replacing an investment option?
- How does your company evaluate current plan investment options for a 401(k)-plan similar to the Plan? Do you use a performance-evaluation system? If so, describe it.
- How does your company analyze investment costs and total Plan cost for a 401(k)-plan similar to the Plan, including recordkeeping, trustee, managed account, and consulting fees and the treatment of revenue sharing and float?

2.4.6. Conflicts of Interest

The proposal must include a statement in which the Respondent warrants that it has no prohibited Conflict of Interest with ERCOT or with any ERCOT employee, officer, director, or Market Participant. A list of ERCOT Market Participants, officers, and directors is available at www.ercot.com. A prohibited Conflict of Interest exists where:

- Respondent or any of its employees, officers, partners, or managers stands to gain or lose personally from an ERCOT or ERCOT Market Participant business decision;
- Any Market Participant, or any employee, officer, or director of ERCOT, stands to gain or lose personally from any business by or decisions of the Respondent;
- There is any relationship between the Respondent (or its officers, partners, managers, or major clients) and ERCOT (or its employees, officers, directors, or Market Participants) that would impair the Respondent's objectivity or independence, in fact or appearance; or
- Any ERCOT Market Participant, employee, officer, or director has ownership in, is related to, receives money from, or serves in an advisory, consulting, technical, or management capacity for the Respondent.

A relationship described above that arises through an affiliate of the Respondent registered as an ERCOT Market Participant will not automatically disqualify the Respondent, provided the relationship is fully disclosed together with the measures by which the Respondent will preserve the independence of its services. ERCOT will determine, in its sole discretion, whether any disclosed relationship constitutes a prohibited Conflict of Interest.

In addition, the Respondent must disclose, for itself, its affiliates, and each teaming partner: (a) any proprietary or affiliated investment products; (b) any compensation received from investment managers, fund sponsors, recordkeepers, or other service providers, including revenue sharing, 12b-1 fees, placement or referral fees, conference or event sponsorship, and payments for data or research access; (c) any wealth management, individual retirement account, insurance, or other business line that serves or markets to retirement plan participants; (d) the policies by which the Respondent prevents such relationships from influencing its advice to the Plan; and (e) the Respondent's policies governing the solicitation of Plan participants for individual retirement account rollovers, wealth management, insurance, or other services, and its use of Plan and participant data.

2.4.7. Additional Questions

- State your company's legal name, mailing address, main telephone number, and web address.
- Provide your company's business classification (corporation, partnership, LLC, or sole proprietorship) and identify the jurisdiction in which your company is organized.
- Describe your company's organizational structure, including holding companies, subsidiaries, and affiliates. Identify any affiliates, divisions, or subsidiaries that will take part in delivering the requested services.
- Is your company privately or publicly owned?
- Has your company been involved in any reorganization, acquisition, or merger within the past three years? Is your company currently for sale or involved in any transaction to expand or be acquired? If so, please disclose.
- Detail any related products or services your company markets and supports, including staff dedicated to each product line or service.
- What are your company's immediate and long-term goals? Describe your company's strategic plan for the next several years.
- What is the size of your company, in number of employees and revenue?
- Describe your key partners and alliances. Who manages these relationships?
- What are the savings and benefits of using your company's services?
- How do your company's services support this RFP's requirements?
- What differentiates your company's services from its competitors?

- Provide the number of, and a representative list of, clients currently using services of the type requested in this RFP.
- How many of your company's clients have transitioned to other firms or terminated their contracts during the last three (3) years, and for what reasons?
- Provide, for each of the last three years, a copy of your company's Annual Report and Form 10-K, or, if privately held, audited financial statements (income statement, balance sheet, and statement of cash flow) for the last two years.
- Describe your firm's data-privacy compliance program (e.g., state privacy laws, GLBA, and any relevant frameworks) as applicable to the services proposed.

2.4.8. Account Management

- How will your company manage and manage its services to ERCOT?
- Is there a single point of contact available for ERCOT within your organization?
- How does your company measure and monitor its contracts and reporting for compliance with contractual requirements and client investment standards?
- Identify the proposed lead consultant and backup consultant and state the number of retirement plan clients for which the proposed lead consultant currently serves in that role.
- Describe your standard response times for client inquiries and any service standards or performance guarantees your firm offers, including any fee-at-risk arrangements.

2.5. Cost Proposal

Respondents will need to submit their pricing both as digital documents and through the pricing worksheet as laid out in Workday Strategic Sourcing (WSS), collectively referred to as the 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 underline 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.

In addition to the pricing in their proposal, Respondents must utilize the Cost Proposal table as built in WSS for submitting a Cost Proposal.

2.5.1. Multiple Responses

A Respondent may submit more than one Proposal provided that any additional Proposals consist of a materially separate approach to fulfilling the RFP scope and independently contain the totality of necessary Deliverables as defined in the RFP. A joint Proposal with one or more Respondents is acceptable per the guidelines laid out in section 2.5 below.

2.6. Joint Proposals

Two or more Respondents may collectively submit a "Joint Proposal," in response to an RFP. A Joint Proposal is a single Proposal that completely defines the responsibilities of multiple Respondents to attain the requested scope. Joint Proposals must designate a Primary Respondent who will be responsible for the delivery of all goods, services, and requirements as specified in the RFP, and a single authorized official from the Primary Respondent to serve as the sole point of contact between ERCOT and the cooperating Respondents. Any Contract resulting from a Joint Proposal must be signed by an authorized agent or officer of each

Respondent. Each Respondent included in the submission of a Joint Proposal will be both jointly and severally liable during the term of any resulting Contract.