Title: N.Y.C. Groceries Operator(s) RFP
Project: #11639
Questions & Answers #1
Date: 8/14/2026

In connection with the **Request for Proposals** ("RFP") relating to the **N.Y.C. Groceries Operator(s)** release by NYCEDC on **July 27, 2026**, the questions from potential Respondents and answers provided by NYCEDC are below. All capitalized terms not otherwise defined in this Questions & Answers document shall have the meanings ascribed to them in the RFP.

Please note that more questions can be submitted for Round 2 until Friday, September 11, 2026, at 5:00 P.M. Eastern Time. Answers for these questions will be posted on or by Monday, September 21, 2026.

Core Basket Items and Pricing

1. **The RFP indicates that produce, meat, fish, as well as some dairy and traditional grocery items shall be part of the 30% markdown. For the produce, meat and fish items, does this cover all items in this category or is there a list of SKU's or an item list with all of the items? This information would be helpful to determine the gross margin for these items in order to calculate a total estimated profit/loss.**
   NYCEDC is developing a preliminary list of items for the Core Basket. This list is expected to be further refined with the selected Operator during contract negotiations. Respondents are encouraged to be thoughtful with respect to items included in the Core Basket such that proposals meet the basic requirements outlined in Appendix C of the RFP.

2. **Produce, meat and fish items can fluctuate in cost on a daily basis. By setting a monthly sale price this could greatly affect the potential profit/loss. Will NYCEDC be subsidizing these items regardless of the cost?**
   Yes, Core Basket pricing includes the 30% discount and monthly pricing to provide lower, predictable prices. Any required Affordability Payments provided to the Operator will be sized to account for the 30% discount on market prices for items included in the Core Basket and monthly pricing. Any assumptions on price fluctuations should be included in Respondents' estimates. Respondents should refer to the requirements laid out in the RFP and clearly identify assumptions regarding pricing, costs, and subsidy needs.

3. **In determining a 30% discount to market prices, how are market prices calculated?**
   NYCEDC is currently in the process of reviewing the methodology to determine market prices against which the 30% discount will be applied. The market prices will be an average of multiple stores and not tied to any single store, though Respondents may draw on pricing and sales data from their existing stores to be included. Additional guidance will be provided as it becomes available.

4. **How will NYCEDC determine if the capital, rent and tax relief is not enough for the Operator to provide 30% reduction of Core Basket cost? Is NYCEDC guaranteeing to offset the aforementioned 30%?**
   Refer to Question 2. NYCEDC anticipates that the capital, rent, and tax relief provided in association with the Project are expected to result in significant expense reductions for the Operator(s) and reduce required gross margin to cover all operating expenses. If the Respondent determines this relief is not enough to deliver the 30% discount on Core Basket items, Respondents are required to provide estimates of additional Affordability Payments that will be necessary to support the delivery of the goal in their Proposal The final determination regarding the amount and structure of subsidy will be made during Operator selection and as part of the contract negotiation process. The final amount agreed to will be sized to offset 30%, subject to other operational and risk sharing terms in the final agreement(s). NYCEDC and the selected Operator(s) will work closely together to ensure timely subsidy payments and administer Affordability Payments as needed to support delivery of the 30% discount on the Core Basket items.

5. **Is there a limit to NYCEDC's offset for the costs of the Core Basket discounts? If Core Basket sales exceed expectations, will the selected Operators be reimbursed?**
   Yes, there will be a mutually agreed-upon annual limit to the Affordability Payment provided to the Operator informed by NYCEDC's and the selected Operator(s)' best estimates of projected revenues and expenses and approved funding. Subsidies are expected to be sufficient to ensure the 30% discount on the Core Basket items. Funding for Affordability Payments is separate and apart from all capital, rent, and tax relief and as such funding will be subject to additional budget approvals. Respondents are encouraged to propose measures to mitigate subsidy requirements in their Proposals.

6. **If wholesale costs spike mid-month (e.g. produce after weather event, delayed delivery) does the Operator absorb the margin loss or will there be a subsidy true-up mechanism?**
   Refer to Question 2. Upon selection of the successful Respondent(s), NYCEDC shall enter into discussions with the selected Operator(s) to finalize the Project agreement(s). These discussions will address, among other topics, the Operator's timing and amount of Affordability Payments for implementing the discount program and what, if any, circumstances may give rise to an adjustment in Affordability Payments, which would be subject to NYCEDC's discretionary approval.

7. **As wholesale prices of items in the Core Basket reset monthly with no weekly fluctuation, is there a cap on Operator exposure if the locked price falls below product cost?**
   Refer to Question 6.

8. **Please advise how Respondents should set a price for perishables and the volatility of commodities.**
   Refer to Question 3.

9. **Since the markup of items in the Core Basket is generally lower than 30%, they will be sold below cost. How will these shortfalls be made up for and more generally will the Operator be guaranteed any return on their operations?**
   The Affordability Payment shall enable the selected Operator(s) to sell the Core Basket items to consumers at a 30% discount. In their Proposals, Respondents are expected to provide an annual business plan for their proposed N.Y.C. Groceries' store(s) as a whole. The Respondent's Proposal will be competitively evaluated for its ability to meet Project requirements as set forth in the RFP while balancing the Respondent's own profit margins.

Labor

10. **Will staffing and/or recruiting services be required through this RFP?**
    The selected Operator(s) will be required to manage all day-to-day labor and workforce operations including recruiting and staffing.

11. **Will union labor be required for the entire N.Y.C Groceries' stores or within select departments?**
    While union labor is not a requirement for N.Y.C. Groceries stores, Proposals that include union labor are expected to extend union representation across all store employees.

12. **What minimum provisions will the Labor Peace Agreement require (neutrality only, or stronger terms)?**
    The specific terms of any labor peace agreement, if applicable, will be determined through discussions between the relevant parties. Respondents should refer to the RFP requirements regarding labor practices and relationships with unions and demonstrate a willingness to engage in such discussions should the need arise.

13. **Does NYCEDC intend to set wages or wage ranges? If so, are those currently known?**
    Operator(s) shall collaborate with NYCEDC to finalize the expected wages and benefit packages to ensure that all jobs at N.Y.C. Groceries stores meet the goals of the RFP.

14. **How are "best in class" wages determined?**
    Respondents are expected to propose competitive wages and benefits that support workforce quality. Proposed compensation and labor packages will be considered as part of the evaluation of the Proposal.

15. **What are NYCEDC's expectations regarding wages and benefits to be provided to workers?**
    Refer to Question 13.

16. **Will there be prevailing wage or card-check expectations for N.Y.C Groceries' store staff? Will specific unions have a defined role in this Project?**
    Respondents should refer to the requirements laid out in the RFP with respect to labor practices and relationships with unions.

Proposal Requirements and Structure

17. **Is there a required format for the submission of a Proposal? Are there necessary items that must be included?**
    There is no required format for the submission of a Proposal. Respondents should refer to the Submission Requirements section of the RFP for a complete list of items that must be included for a complete Proposal.

18. **The RFP allows Respondents to submit "either independently or in teams." Can NYCEDC clarify the expected structure of a Respondent team response — a single prime operator with named subcontractors, or a joint response by co-equal parties? Must all team members be identified in the October 16 submission, or may a selected operator add partners after award?**
    If responding as a team, Respondents are encouraged to clearly describe the Project team structure pursuant to the requirements laid out in the Submission Requirement section of the RFP. Respondents may identify proposed team roles by the October 16 submission deadline, even if all specific partners have not yet been identified.

19. **Do local/values-aligned sourcing commitments in a Proposal become binding, or stay a non-binding intent?**
    Final sourcing commitments may be negotiated with the selected Operator(s). The expectation is that selected Operator(s) are capable to deliver on any sourcing commitments included in their Proposals.

20. **Are there local or regional sourcing mandates or preferences (eg Hunts point, or Local NY Farms) which may affect scoring of a Proposal?**
    Respondents are required to provide an overview of their sourcing strategies in their Proposals. While not required, Proposals that demonstrate meaningful local or regional sourcing strategies may be viewed more favorably as part of evaluations.

Site Selection and Fit-Out

21. **Can NYCEDC provide details regarding how many visitors La Marqueta gets in a day?**

The area served by La Marqueta has an average weekly foot traffic of approximately 4,300 visitors. Respondents may find more information about La Marqueta (Manhattan site) and the Peninsula (Bronx site) in the Appendices of the RFP.

22. **What kind of data, if any, will NYCEDC be collecting on the N.Y.C Groceries' stores? What will be made publicly available?**
    Respondents should refer to the Performance Reporting section of the RFP for information on the metrics NYCEDC expects Operator(s) to track and report.

23. **What is the market analysis/sales forecasting data that NYCEDC is using for planning? Is it available to potential Respondents?**
    NYCEDC is using a mix of data sources including proprietary data. Therefore, EDC cannot provide the data at this time.

24. **For the two confirmed sites, can NYCEDC share the planned store format and expected department mix? Specifically, are full-service departments such as a butcher counter, seafood, or prepared foods contemplated in the store design, or is the format oriented to packaged and pre-packed goods?**
    The stores will not include customer-facing facilities for onsite food preparations or other full-service departments. Additional information regarding the planned store format and expected department mix for the stores will be made available when appropriate.

Store Operations

25. **Who will technically own the N.Y.C Groceries' stores? If the City will be the owner, will the Operator's role be a manager of the stores? If so, will the Operator's salary be reimbursed through payroll or will the City pay the Operator a set commission or management fee?**
    The selected Operator(s) will be the sole manager(s) of the store(s). NYCEDC has not set a commission or management fee in the RFP but anticipates that the Affordability Payment structure will enable the selected Operator(s) to make a modest margin operating the N.Y.C. Groceries store(s). In their Proposal, Respondents may propose how such a fee may be included in the structure of the Affordability Payments made to the Operator(s).

26. **What is a "savings card" program? Does that mean a loyalty rewards program? If so, what will the terms be?**
    A savings card program refers to a customer discount/loyalty/membership card program similar to those commonly offered by grocery stores. Respondents should refer to the basic requirements laid out for the establishment of a savings card program in the RFP.

27. **What is meant by the savings card program?**
    Refer to Question 26.

28. **Will the stores be required to accept WIC as well as SNAP?**
    Yes.

29. **For "profit sharing" with employees, how is profit determined if the City is expecting to subsidize the store such that the stores essentially operate as nonprofits?**
    Refer to Question 25. Employee profit sharing is an example of a labor practice that would characterize the strongest Proposals, but it is not a requirement of the RFP. If a Respondent chooses to propose employee profit sharing, or equivalent idea, as a benefit for workers of their applicable N.Y.C. Groceries' store(s), NYCEDC would look to the Respondent to propose specific terms and conditions for such a plan, which could include profits from this N.Y.C. Groceries' store alone, or participation in a broader profit-sharing mechanism beyond N.Y.C. Groceries.

30. **When will affordability payments be dispensed to the Operator?**
    NYCEDC is currently evaluating options for the timing and structure of Affordability Payments. The final payment schedule will be developed in partnership with the selected Operator(s) to ensure Affordability Payments are made to the Operator(s) in a timely manner such that Project objectives are being met and operational needs are being supported.

31. **How soon will the City/NYCEDC provide reimbursements for all losses?**
    Refer to Question 30.

32. **Will the City and/or NYCEDC consider entering into supply chain coordination to a) support the ability for operators to keep food costs low, and b) maintain transparency into pricing all along the supply chain?**
    NYCEDC and the City intend to work closely with the selected Operator(s) to support the successful implementation of the Project. If necessary, NYCEDC and the selected Operator(s) will evaluate opportunities for collaboration to support wholesale purchasing.

33. **How will the City monitor pricing to ensure that the Operator is proactively sourcing lowest cost, highest quality items?**
    Refer to Question 3.

34. **Will NYCEDC support Operators in negotiating wholesale prices?**
    Refer to Question 32.

35. **What key performance indicators ("KPI") will define the success of the Project? How will the KPIs be publicly reported given a price transparency commitment?**
    Refer to Question 22.

36. **How will losses be paid back to the Operator?**
    Refer to Question 30.

37. **If the Project is essentially going to operate as a not-for profit, how will the Operator make money? Should Respondents include a management fee as part of their Proposal?**
Refer to Questions 9 and 25. NYCEDC and the selected Operator(s) will work together to develop a mutually agreed upon operating plan that aligns projected revenues, expenses and subsidy needs to support the delivery of the 30% discount on Core Basket items. The selected Operator(s) will be expected to actively control costs and identify meaningful operational efficiencies to support the delivery of the Project. In the event there is any surplus, the treatment of such would be negotiated jointly by NYCEDC and the selected Operator(s).

Other

38. **There is currently no formal submission process for businesses seeking to serve as suppliers to N.Y.C. Groceries' stores instead of operators. Does NYCEDC intend to establish a channel for such businesses to express interest in acting as suppliers to the N.Y.C. Groceries' stores? If so, on approximately what timeline relative to Operator selection?**
NYCEDC is currently evaluating whether to establish a process for businesses seeking to supply N.Y.C. Groceries stores. Any future process and associated timeline will be determined likely in coordination with the selected Operator(s) and may evolve based on the operational needs of the initiative over time.

39. **How can manufacturers of other non-food categories be considered to be stocked in the planned N.Y.C. Groceries' private-label product line. Is there a process for suppliers to submit capabilities for private-label sourcing consideration?**
Refer to Question 38.

40. **Will NYCEDC consider sourcing products directly from manufacturers as a strategy to reduce costs for consumers? If so, is there a process for manufacturers to express interest in supplying products?**
Refer to Question 38.

41. **Is there a process for seafood suppliers to express interest in supplying products to the N.Y.C Groceries' stores?**
Refer to Question 38.

42. **Is there a process for suppliers of specialty food products, including international suppliers, to express interest in having their products stocked at N.Y.C. Groceries stores?**
Refer to Question 38.

43. **How will interested parties receive any addenda issued for this RFP?**
    Any future addenda or information relevant to the RFP will be published on the RFP website.

44. **Where is the URL for the RFP?**
    You may download the RFP by accessing it on the RFP website.

45. **What is the benefit of opening a new store compared to converting an existing store for use in the N.Y.C. Groceries program?**
    Respondents may propose an existing store for consideration for the N.Y.C. Groceries program through the Private Sites Portal.

46. **Is there a different submission process if a company would like to be the wholesale provider for the stores and not an operator?**
    Refer to Question 37.

47. **How and when can architecture firms apply for a role to support Operators with the design and renovations of the new stores?**
    If an opportunity to support design and construction for N.Y.C. Groceries stores is identified, additional information will be provided if and when it becomes available.

48. **How many attendees were at the information session on August 5?**
    There were 74 attendees at the information session hosted on August 5.

49. **Is the Project information session presentation available online?**
    Yes. The presentation shown during the information session is accessible on the RFP website.

50. **Will retired senior citizens be able to shop at the N.Y.C. Groceries' stores once they are opened?**
    All New Yorkers will be able to shop at all N.Y.C. Groceries locations once they are opened. NYCEDC and the selected Operator(s) may work together to establish special programming for senior citizens.

51. **When and where will the Queens store be located?**
    The exact location of the Queens' location has not yet been determined. Additional information regarding the Queens, Brooklyn, and Staten Island sites will be provided by the City and NYCEDC, when available.

52. **Will more than five (5) N.Y.C. Groceries' stores be planned?**
    Currently, the N.Y.C. Groceries' Project is focused on delivering five (5) stores - one in each borough. No decisions regarding additional stores have been made at this time.

53. **Will there be a website showing food item prices and weekly sales items?**
    NYCEDC and the selected Operator(s) will work together to determine other components of grocery store operations such as a website or a circular.