Title: N.Y.C. Groceries Operator(s) RFP
Project: #11639
Questions & Answers #2
Date: 9/21/2026

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 additional questions can be submitted for Round 3 until Friday, September 25, 2026, at 5:00 P.M. Eastern Time. Answers for these questions will be posted on or by Monday, October 2, 2026.

Clarifying Questions

1. **What role will the selected Operator(s) play in site selection and design for the Brooklyn, Queens, and Staten Island sites?**
   NYCEDC and the selected Operator(s) intend to collaborate on evaluating the viability of the sites submitted to serve as store locations for the remaining boroughs. During the pre-operational phase, the selected Operator(s) is expected to have the opportunity to provide input on the design, layout, and operational development of its agreed upon store location(s).

2. **What are the selected Operator(s)' responsibilities with respect to identifying the Core Basket of goods?**
   Prior to the commencement of store operations, NYCEDC and the selected Operator(s) will collaborate to identify the full Core Basket of goods at the individual SKU level. NYCEDC will provide guidance regarding Project, policy and sourcing objectives and requirements.

3. **What are the selected Operator(s)' budgeting and financial planning responsibilities under the Operating Agreement?**
   On an annual basis, the selected Operator(s) will be required to prepare and submit a detailed pro-forma budget for the upcoming year to NYCEDC for review and approval. The budget format will be mutually agreed upon by NYCEDC and the selected Operator(s) and will include projected annual revenues and operating expenses. Any projected expenses and/or operating deficit directly related to providing the 30% discount on the Core Basket of goods will be equivalent to the estimated Affordability Payment. The final annual budget and payments will be subject to NYCEDC review and approval, as well as City funding availability.

4. **How will the annual operating budget be reviewed and approved by NYCEDC?**

The selected Operator(s) will prepare and submit annual operating budget to NYCEDC for review and approval, in a mutually agreed upon time and format that is consistent with the City's budget review timeline and process.

5. **Through what mechanisms will the selected Operator(s) receive the Affordability Payment to support Project operations?**
   Following the review and approval of the Operator's annual operating budget, NYCEDC will make a portion of the budgeted Affordability Payment amount available to the selected Operator(s) prior to the commencement of store operations for the applicable year.

6. **What reporting requirements will the selected Operator(s) be subject to?**
   The selected Operator(s) will be required to submit regular operating financials to NYCEDC to monitor performance and ensure that operating costs remain consistent with the approved annual operating budget. Respondents should refer to the Performance Reporting section in the RFP to better understand on which metrics the selected Operator(s) will be expected to report. Reporting cadence and procedures will be agreed upon between NYCEDC and the selected Operator(s) following finalization of the Project agreement.

7. **Who is responsible for capital improvements to the N.Y.C. Groceries' stores and what oversight rights will NYCEDC retain?**
   The selected Operator(s) will be responsible for performing, or causing to be performed, all applicable capital improvements in connection with the management, operation, maintenance, and improvement of its awarded N.Y.C. Groceries' store. The selected Operator(s) will include all proposed capital improvements in the projected annual operating budget for the upcoming fiscal year for NYCEDC's review and approval. NYCEDC shall have the right to require specific labor provisions, staffing requirements, and related obligations associated with the capital work, which will be further defined in the Operating Agreement. The selected Operator(s) will also have responsibility for routine and ongoing repairs and maintenance to the stores as well as purchasing all replacement furniture, fixtures and equipment. These costs will be included in the annual operating budget.

8. **Will the selected Operator(s) receive a management fee for the work performed under the Operating Agreement?**
   NYCEDC may pay an additional fee conditional on the Operator(s) demonstrating excellence across aspects of Project delivery. A traditional management fee arrangement is not contemplated by the RFP, however, NYCEDC's proposed Performance Agreements contemplate a fee payment to the Operator(s) in response to strong performance metrics including, but not limited to, customer satisfaction, employee retention, healthy merchandising outcomes, product sourcing and/or sustainability.

Core Basket Items and Pricing

9. **Please provide an update regarding the methodology to be used to determine the 'market prices' against which the 30% affordability discount will be applied. Will such methodology be published via RFP addendum before the RFP deadline? If not, how should Respondents document the benchmark assumptions behind their Affordability Payment estimates?**
   A market price methodology will not be published prior to the RFP submission deadline. Estimates of the Affordability Payment should be equivalent to the operating losses generated by delivery of the 30% discount on the Core Basket of goods. Respondents will be required to provide estimates of projected revenues and expenses in their Proposals to support the estimate of the Affordability Payment. Respondents may draw on pricing and other sales data from their existing stores to inform benchmark assumptions on projected operating revenues and losses. The final methodology will be developed with the selected Operator(s) to ensure operational feasibility. Respondents are also encouraged to refer to Appendix C for more information regarding the expected Core Basket of goods.

10. **Alcohol, tobacco, nicotine, and on-site front of house food preparation will be excluded from the stores. Will health and beauty care, household cleaning, paper goods, baby care, pet supplies and general merchandise be permitted departments? Will NYCEDC's approval right cover the overall assortment of goods in the stores, or only Core Basket items and prices?**
    Yes. Health and beauty care, household cleaning, paper goods, baby care, pet supplies and general merchandise will be permitted, as space allows, in the stores. NYCEDC will retain some oversight on the overall assortment of inventory outside of the Core Basket of goods, and the selected Operator(s) will be required to sell those goods at fair market value to consumers. NYCEDC and the selected Operator(s) will work closely together to identify and refine the final Core Basket of goods at the individual SKU level. While NYCEDC anticipates a collaborative process, NYCEDC will retain final approval over the Core Basket.

11. **Are there actual savings if operating costs are subsidized by tax dollars?**
    Yes. The primary goal of N.Y.C. Groceries is to ensure that New Yorkers experience meaningful savings at the cash register on their grocery purchases.

12. **Will NYCEDC release a preliminary Core Basket item list prior to proposal submission? If not, should Respondents develop and price their own proposed Core Basket consistent with the requirements outlined in Appendix C of the RFP?**
    NYCEDC does not plan to release an additional preliminary list of Core Basket items prior to the RFP submission deadline. The final list of individual Core Basket items will be finalized in collaboration between the selected Operator(s) and NYCEDC during contract negotiations. For the purposes of Proposals, Respondents are encouraged to use the

basic requirements outlined in Appendix C as a guide and exercise their best professional judgment in developing the list of SKU-level items in a proposed Core Basket.

13. **Will NYCEDC provide additional guidance regarding the methodology used to establish market prices that serve as the basis for calculating the required 30% discount, including store selection methodology, geographic area, product matching, and treatment of promotional pricing?**
Refer to Question 9.

14. **Will Affordability Payments be calculated based on actual sales of Core Basket items, projected sales volumes, or another methodology?**
The specific methodology for determining and administering Affordability Payments, including any related financial arrangements, will be determined through finalization of the Operating Agreement. Ultimately, the Affordability Payment paid to the Operator(s) will be based on actual sales and operating expenses incurred.

15. **If actual Core Basket sales exceed projections used to establish the annual Affordability Payment allocation, will Operators continue to be reimbursed for required discounts beyond the projected amounts, or will Affordability Payments be capped?**
Refer to Question 14. Respondents are encouraged to recommend approaches in their Proposals that may reduce or mitigate subsidy requirements while maintaining alignment with Project objectives.

Site Selection and fit-out

16. **Will the selected Operator(s) be able to provide input on the design and layout of the stores?**
NYCEDC anticipates working closely with the selected Operator(s) throughout the pre-operational phase to inform certain aspects of the operational development of its agreed upon store location(s). The selected Operator(s) may have the opportunity to provide input on back-of-house operations, equipment and fixture placement, and other design elements that may materially affect store operations and customer experience. Given the advanced stage of planning and development for the Bronx site, opportunities for input there may be more limited than for future sites. NYCEDC will retain final approval rights with respect to the design and development of each of the stores.

17. **Is there a standardized N.Y.C. Groceries' store layout or prototype (i.e. department adjacencies, fixture plan, planograms) across all five locations? If so, how much latitude will an Operator have to adapt it? (including shelf location, register count and layout, etc.)**
Refer to Question 16. Each N.Y.C. Groceries' store is currently anticipated to follow a consistent layout, while allowing for certain aspects of the final store layouts to vary

based on the unique structural characteristics of each site.

18. **Please confirm whether the following costs will be covered by NYCEDC (as part of its fit-out) or the selected Operator(s): shopping carts, baskets and corrals; checkstands and point of sale hardware; department smallwares; back-of-house racking and material handling; closed-circuit television, access control and alarm monitoring. Who replaces carts and baskets lost or damaged over the term?**
    The selected Operator(s) will be responsible for routine and ongoing repairs, maintenance, and replacement of furniture, fixtures, and equipment at its N.Y.C. Groceries' site as well as all other operational assets required for store operations including items such as shopping carts, baskets, point-of-sale equipment, department smallwares, and back-of-house equipment. Costs associated with these responsibilities should be reflected in the annual operating budget, which will be subject to NYCEDC review and approval.

19. **Will the schematic design for The Peninsula be released by addendum? If so, when?**
    Site parameters for The Peninsula, including estimates of square footage for sales floor components and department linear counts, has been posted to the RFP website under Addendum #2.

20. **Are there any site plans that illustrate potential store layout for The Peninsula?**
    Refer to Question 19.

21. **Will the selected Operator(s) be responsible for funding all opening inventory and initial stocking requirements? If not, what forms of financial assistance, reimbursement, financing support, or inventory-related subsidy assistance may be available?**
    Following the review and approval of the Operator's annual operating budget, NYCEDC will make a portion of the budgeted Affordability Payment amount available to the selected Operator(s) in advance of the commencement of store operations for the applicable year.

22. **What is the location of the Manhattan site?**
    The Manhattan store will be within La Marqueta's Lot 7, which is located at East 117th Street.

23. **Where will the grocery stores be located?**
    Refer to Question 21. The Bronx site will be located at 1215 Spofford Avenue at the Peninsula. The exact location of the Brooklyn, Queens, and Staten Island sites will be provided by the City and NYCEDC, when available.

Store Operations

24. **The capital maintenance split is deferred to post-selection negotiation. Ahead of that: (a) can NYCEDC indicate the split between Operator-borne routine maintenance and NYCEDC-borne equipment replacement - a cost threshold or useful-life standard - for refrigeration, HVAC and base building MEP?**
    Refer to Question 18.

25. **Is opening inventory funded by NYCEDC, eligible for Affordability Payment, or Operator-financed - and if Operator-financed, recoverable at expiration or earlier termination? Appendix E requests annual figures; where should Respondents present one-time pre-opening costs, including opening inventory, recruiting, training and licensing?**
    Refer to Question 15. With respect to one-time pre-opening costs, in addition to the requirements outlined in Appendix E, Respondents may provide additional schedules, rows, columns, or other supporting information as necessary to clearly identify costs that are one-time expenditures.

26. **Which pre-opening costs are expected to be borne by the Operator and which are anticipated to be provided by NYCEDC, including recruiting, training, technology systems, store setup, insurance, licensing, and opening inventory?**
    The final allocation of pre-opening costs shared by NYCEDC and the selected Operator(s) will be fully refined and finalized during contract negotiations.

27. **Does NYCEDC anticipate making Affordability Payments prospectively, through periodic advances, or retrospectively following verification of sales and reporting? Will the final agreement contain mechanisms to support Operator cash flow requirements?**
    Refer to Question 15.

28. **Will the final Operating Agreement include a process to address extraordinary circumstances such as severe commodity price fluctuations, supply chain disruptions, weather events, labor cost changes, or other material operating impacts that may substantially affect Affordability Payment estimates?**
    Refer to Question 15. As part of the Operating Agreement negotiation process, NYCEDC and the selected Operator(s) shall agree upon terms to address applicable circumstances that may materially impact store operations and, consequently, Affordability Payment estimates.

29. **May Respondents propose a fixed management fee and/or performance-based incentive structure as part of their Operator compensation model?**
    Refer to Question 8.

Proposal Requirements and Structure

30. **What are NYCEDC's anticipated timelines and expectations for the phased opening and full operationalization of all five stores?**
    All five stores are expected to be operational by the end of 2029, with the exception of the Bronx site, which will be operational by the end of 2027. The anticipated schedule for each location thereafter will depend on a variety of factors, including but not limited to site readiness as well as construction and permitting timelines. NYCEDC expects to work closely with the selected Operator(s) to align timelines such that each store becomes operational within a reasonable timeframe before the end of 2029. Respondents may describe their proposed approach to staffing, opening inventory, and other mobilization efforts required to make their store(s) promptly operational as part of their Proposals.

31. **Will NYCEDC provide additional guidance regarding evaluation criteria for the Wider Impact Narrative, particularly as it relates to: (i) Community engagement, (ii) small business support, (iii) local hiring, (iv) workforce development (v) neighborhood economic impact, and (vi) partnerships with community-based organizations.**
    NYCEDC does not anticipate providing additional guidance regarding the evaluation of the Wider Impact Narrative. Respondents are encouraged to propose creative, thoughtful and realistic approaches that maximize impact in these areas and meaningfully advance Program objectives.

32. **For Respondents submitting as a team, what minimum level of detail is expected regarding proposed team roles, responsibilities, and anticipated partnerships where specific partners have not yet been fully identified?**
    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. While Respondents are not required to identify all specific partners by the RFP submission deadline, Proposals should clearly describe the types of partners anticipated to support the Project, the roles and responsibilities such partners are expected to fulfill, the value those partners would bring to the team, and how those relationships would be operationalized for delivery of Program objectives. Strong team-centered Proposals will include outreach plans identifying how the primary Respondent(s) will engage and secure all specific partners, as Subcontractors, to fulfill the roles outlined.

Labor

33. **Will there be job postings for positions at the grocery stores?**
    The selected Operator(s) will be required for managing all daily operations of the stores, including recruitment. Respondents should refer to Appendix G in the RFP regarding Community Hiring.

34. **What union, if any, will represent employees of the N.Y.C. Groceries' stores?**
    No union has been identified to represent employees of any of the stores at this time. The selected Operator(s) will be responsible for managing store operations and workforce matters in good faith and in accordance with the law. 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.

Other

35. **Does NYCEDC intend to establish a channel for organizations seeking to provide low-cost food products to N.Y.C. Groceries' stores? If so, at what stage of Project implementation would this occur?**
    NYCEDC is currently evaluating whether to establish a process for businesses and organizations seeking to supply the 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.

36. **Beyond favorable consideration during evaluation, are there specific targets, goals, or scoring preferences associated with: (i) New York State sourcing, (ii) Local sourcing, (iii) Hunts Point sourcing, (iv) Regional farm partnerships, (v) Food rescue initiatives, (vi) Community-based organization partnerships.**
    Refer to Question 31.