

In connection with the **Request for Proposals** ("RFP") relating to the **N.Y.C. Groceries Operator(s)** released 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.

Core Basket Items and Pricing

- 1. If an Operator sells Core Basket items through a delivery or online channel, are those sales subject to the same pricing rules as in-store sales - that is, designated as Core Basket SKUs and priced in aggregate at an average of 30% below retail as sticker prices, uniform across all five locations and subject to monthly NYCEDC review and approval?**

If a Proposal contemplates a delivery or other e-commerce channel as part of the Wider Impact Narrative, it is expected that all Core Basket items, sold in-store and/or digitally, would be required to be offered at the 30% discount across all five locations.

Notwithstanding, it is currently anticipated that all of the Core Basket SKUs will be sold in-store.

Site Selection and Fit-out

- 2. Addendum 2 lists 'Shelving 395' & 30' bulk'. Is 395' the linear run of gondola fixtures (double-sided islands counted once) or the total shelf-face length, and what gondola heights and shelf counts does the City's fit-out assume? Are the department linear counts and the 25 frozen doors fixed elements of the fit-out, or may respondents propose re-allocations in the Site fit-out statement?**

The linear number listed in Addendum 2 represents the length of each side of a gondola run plus the two end caps. This measurement reflects only the front-facing display length and does not account for the number of shelves within each fixture. The current planning assumes gondolas that are 96" high. Each side is 24" deep and end caps are 48" wide. Gondolas are typically sold in 4'-0" lengths that are joined together to make a run. For shelving, standard configurations for gondolas that are 96" high have 4 or 5 shelves. The current departmental linear footage allocations and number of frozen display doors are estimated and were developed to achieve an optimal ratio between Front-of-House and Back-of-House space within the overall store footprint. If there is a change in quantity for refrigerated or frozen cases, this would impact refrigeration calculations and could impact the sizing, weight, positioning, and type of refrigeration equipment proposed.

Store Operations

- 3. Does NYCEDC require a specific point-of-sale, inventory management, pricing, or reporting platform for N.Y.C. Groceries stores? If a standard is contemplated, will it be prescribed by NYCEDC or selected by the Operator? If prescribed, at whose cost is it licensed and implemented?**

NYCEDC does not currently prescribe specific point-of-sale, inventory management, pricing, reporting, or other technology systems. NYCEDC will work closely with the selected Operator(s) to establish mutually agreed upon pricing and reporting guidelines. Should Respondents like to include third-party software or platforms to support pricing and/or reporting in their Proposals, Respondents are encouraged to propose solutions they believe are most cost-effective, functional, and appropriate to the best of their knowledge and ability, for their proposed operating model. Respondents should assume that all licensing, implementation, and ongoing operational costs associated with such systems will be the responsibility of the selected Operator(s). The costs will be incorporated into the Operator's approved annual operating budget. Final selection of all technology platforms and systems may be subject to NYCEDC review and approval.

- 4. Are the costs of implementing and operating the required technology stack (ie. point of sale, inventory and pricing systems, reporting and analytics, savings card issuance and management, loyalty infrastructure, and any data integration) eligible for inclusion in the Affordability Payment estimate and the Appendix E assumptions table, either as "other operational costs" or as "programmatic costs"? If so, which line is appropriate, and is there a cap or disallowed category of technology expenditure?**

Respondents should assume that technology-related costs are part of the selected Operator(s)' operating responsibility and should be included as such in the Costs, other operational line of the assumptions table included in Appendix E of the RFP.

Respondents may create additional rows to further break out operational expense categories, including technology expenditures. There is no specified cap on technology-related expenditures, nor are any categories of technology expenditures prohibited. However, Respondents are encouraged to propose cost-effective solutions and may be asked to provide justification to certain categories of technology expenditures.

- 5. Will the Operator be permitted to operate its own customer-facing digital channel for the N.Y.C. Groceries stores - including a branded website, mobile application, or online ordering interface - either independently or with a third-party technology partner? If permitted, would such a channel be subject to NYCEDC's brand guidelines and to NYCEDC approval of naming, visual identity and customer experience?**

A digital asset of this type has not yet been contemplated and there is no requirement for Respondents to include such an asset in their Proposals. If a Respondent were to seek to include a digital channel as part of its proposed operating model, the Respondent should expect to bear the upfront and ongoing costs of licensing and implementation.

Respondents may be asked to provide justification for why a digital channel would be strategically necessary for their Proposal. Any digital channels would be subject to the brand guidelines established by NYCEDC for the purposes of N.Y.C. Groceries.

6. **May the Operator engage a third-party delivery or e-commerce platform provider, and if so, will the labor requirements applicable to the project - including the Labor Peace Agreement commitment, quality job standards, and Fair Work Practices obligations - extend to that provider's workforce?**

Refer to Question 1. If a Respondent proposes some delivery or e-commerce component offered by a third-party provider, the Respondent should be prepared to be subject to the rules and regulations of that third-party provider. Any final agreements to engage a third-party delivery or e-commerce platform provider will be subject to NYCEDC's review and approval, including approval of any applicable terms, conditions, or requirements identified through the Proposal evaluation process and determined to be consistent with the goals of the Project.

7. **Would a delivery or e-commerce capability be recognized under proposal quality or as a Wider Impact Narrative differentiator, and would it be treated as a cost-reducing measure for the purposes of mitigating the Affordability Payment request?**

Respondents that choose to include e-commerce or delivery services in their Proposal should clearly articulate anticipated benefits, associated costs, and rationale for inclusion. Since delivery and e-commerce have the potential to impact multiple elements of the operation (costs, accessibility, etc.) it will be evaluated against multiple criteria to determine how it supports the overall goals of the proposed operating model.

8. **The Affordability Payment has been described to cover 'operating losses generated by' the 30% discount. Is that the store's net operating deficit after all revenue, or the incremental loss versus a no-discount baseline? And if/when actual Core Basket sales exceed the approved budget, are the additional discount-driven losses reimbursed within the year, deferred to the next budget, or lost?**

The estimation of the Affordability Payment should be understood as the equivalent amount needed to offset operating losses, if any, incurred by the selected Operator(s) as a result of delivering the Core Basket items at the required 30% discount. The calculation should account for the store's full forecasted operating revenues and operating costs, recognizing that annual space rent, real estate taxes, and capital costs associated with the stores fit-out will not be the selected Operator(s) responsibility. NYCEDC expects the annual forecasted budget to account for all operating costs, including those associated with delivering the Core Basket at the required 30% discount.

9. **Will NYCEDC prescribe how Core Basket demand management is applied, or may operators propose their own reasonable rules as part of their Proposal? If Operator(s) may propose such rules, will the Affordability Payment be calculated only on units sold within the eligible limits?**

NYCEDC has not established specific requirements regarding Core Basket demand management but expects to work collaboratively with the selected Operator(s) to develop an appropriate demand-management approach to Core Basket items, with final mechanism subject to NYCEDC review and approval. NYCEDC recognizes the approach may depend on the proposed operating model. NYCEDC's preference is to maximize access to discounted Core Basket items and avoid restrictive purchasing requirements, where feasible. Respondents may therefore propose reasonable demand-management approaches they believe are appropriate and mission-aligned, which NYCEDC will consider as part of the collaborative process with the selected Operator(s).

10. Will NYCEDC support a WIC vendor application for the Bronx site outside the New York State Program and Vendor open application period on inadequate-participant-access grounds, and will Core Basket items redeemed with WIC benefits count toward the 30% discount metric?

At a minimum, the selected Operator(s) must be prepared to accept SNAP/EBT and WIC at the N.Y.C. Groceries store(s) they operate. Respondents should demonstrate in their Proposals their experience with, or capacity to apply for and comply with, food affordability and nutrition benefit programs such as SNAP, WIC, Get the Good Stuff, and other relevant food accessibility programs. If necessary to comply with this requirement, NYCEDC would support the selected Operator of the Bronx site in pursuing WIC authorization outside the typical open application period to the extent permitted by New York State, including on inadequate participant access or other applicable exception grounds. Core Basket items must be offered at the required discounted shelf price regardless of tender type. Accordingly, where an item is both WIC-eligible and part of the Core Basket, purchases tendered using WIC benefits would receive the 30% discount on Core Basket items based on the applicable discounted shelf price and subject to WIC program rules.

11. Does an in-store sampling or demonstration station using a small warming appliance count as prohibited on-site food preparation?

No, this would be permissible and not counted as on-site food preparation. For N.Y.C. Groceries stores, on-site food preparation refers to the public-facing floor preparation of made-to-order or ready-to-eat food products, such as deli-counter operations, prepared food counters, or similar food service activities. Limited product sampling, demonstrations, and other promotional activities meant to showcase products available in the store would not be considered on-site food preparation.

Proposal Requirements and Structure

12. If a group of grocery professionals proposed a bespoke organization for the purposes of serving the N.Y.C. Groceries project, might that be realistically considered?

Yes. A bespoke organization formed for the purpose of serving the N.Y.C. Groceries

project may be an eligible Respondent. Respondents should refer to the Respondent Qualifications and Profile section of the RFP for more information regarding applicable eligibility and qualification requirements.

13. Is a Respondent eligible to apply if it is majority minority- and women-owned but is not currently certified as an M/WBE?

Yes.

14. Is a Respondent eligible to apply if it is not currently operating a grocery store at this time?

Yes. Refer to Question 12.

15. For Appendix E, how should Respondents define 'retail price' for the Core Basket comparison (for example, regular non-promotional shelf prices at conventional supermarkets within a defined radius of each site), and if the final benchmark methodology will not be set before the submission deadline, what interim benchmark or price source should all respondents use so that Affordability Payment proposals are comparable?

While market price methodology is still under evaluation by NYCEDC, there is no established benchmark that NYCEDC will be prescribing. Respondents should draw on whatever traditional pricing and other sales data they use to inform benchmark assumptions on typical retail prices as well as operating revenues and losses included in their Proposals. Respondents may choose to include a brief background or justification detailing those sources (i.e. regular non-promotional shelf prices within a defined radius of each site). During Proposal evaluations, NYCEDC will ask for additional information on an as-needed basis to ensure that Proposals are fairly evaluated.

16. Please clarify what documentation satisfies the RFP's expectation of 'primary wholesale contracts in place' at submission: for example, executed supply agreements, letters of intent or term sheets, membership in a wholesale cooperative, direct-from-producer purchasing, or supply from an affiliated or related-party entity, and whether related-party supply arrangements, if permitted, require any particular pricing disclosure.

Where the RFP states that "Operator(s) will be expected to have primary wholesale contracts in place" refers to the expected requirement that the selected Operator(s) will be the prime partner in those contracts. As NYCEDC will not have the contractual relationships with the third-party suppliers used by the Respondent, the selected Operator(s) will be required to negotiate, secure, and hold those supplier/wholesaler contracts. Respondents are invited to share supporting information such as executed agreements, letters of intent or term sheets, membership in cooperatives, etc. that successfully demonstrate the Respondent's ability to provide the products included in its Proposal. To the extent possible, Respondents may address supplier onboarding in their Proposals as well. As part of the negotiation process, and prior to execution of the Operating Agreement, NYCEDC shall reserve the right to review the terms, including

pricing, of such agreements made between the selected Operator(s) and any wholesale suppliers.

17. Will the supplier channel referenced in Q&A 2 #35 be administered by NYCEDC, the Operator or a third party, and should respondents address supplier onboarding in their proposals?

The supplier channel referenced in Q&A #35 will be administered by NYCEDC, and will primarily be used to connect the selected Operator(s) with local businesses and organizations that may be interested in collaborating with the Operator to provide certain specialized products to one or more of the N.Y.C. Groceries' stores.

18. For any Respondent team whose role is described in its Proposal on the submission date by type, responsibilities and required qualifications but whose specific firm is named after submission (for example an operator, a wholesale supplier, a community partner or a facilities contractor), how will NYCEDC evaluate the Respondent Qualifications criteria for that role, at what stage of the selection process must all team members be named, and will team-member names provided after submission be published or treated as non-public until award?

Respondents may identify certain team members by role (and with non-specific teammates identified) at the time of Proposal submission, provided that the Proposal clearly describes information including but not limited to the following: expected responsibilities, expected qualifications, anticipated cost, and anticipated value-add of each role to the proposed model. In evaluating such Proposals, NYCEDC may consider factors, including: the Respondent team's role contribution to the proposed operating model, the impact on overall project costs, as well as any implications to Affordability Requirements, the necessity of the proposed partnership relative to the Respondent's, or any already-identified teammate, as well as any contingency plans should a specific partner not ultimately be identified or retained. If selected, the Respondent team shall ensure that all team members, not otherwise identified in the Proposal, are correctly identified and approved by NYCEDC prior to execution of the Operating Agreement.

Labor

19. Are N.Y.C. Groceries operators 'covered employers' under Administrative Code §6-146 for labor-peace purposes? When NYCEDC 'requires specific labor provisions associated with the capital work' (Q&A 2 #7), does that mean prevailing wage for FF&E replacement; and are security costs eligible 'other operational' costs in the Affordability Payment pro-forma?

For the purposes of this RFP, Respondents should anticipate that the selected Operator(s) will be regarded as 'covered employers' pursuant to §6-146 of the New York City Administrative Code.

When NYCEDC requires specific labor provisions associated with capital work, this refers to M/WBE good faith goals, prevailing wage, and any other requirements where applicable. Security costs are anticipated to be the selected Operator(s)' operating responsibility and should be included as such in the Costs, other operational line of the assumptions table included in Appendix E of the RFP. Respondents may create additional rows to further break out operational expense categories, including security expenditures.

Other

20. To what extent is NYCEDC seeking Operator(s) that provide broader community, economic, and neighborhood benefits beyond delivering on the 30% discount of Core Basket items to deliver on food affordability goals? How will value-added programming be considered in the evaluation of Proposals?

While delivery of the required 30% discount on Core Basket items is the primary objective of N.Y.C. Groceries, NYCEDC recognizes that addressing food affordability goes much deeper than lowering prices. Respondents are therefore encouraged to propose value-adding programming, partnerships, and initiatives that complement the primary goal and advance the aims of N.Y.C. Groceries by generating meaningful community impact. NYCEDC may consider anticipated benefits, feasibility, and cost-effectiveness of such programming as part of its evaluation of the overall Proposal. Respondents are encouraged to review the Wider Impact Narrative section on page 20 of the RFP for more information.

21. The RFP notes that Proposals may be subject to disclosure under the Freedom of Information Law. Please describe the procedure for a Respondent to designate portions of its Proposal as confidential commercial or trade secret information under Public Officers Law §87(2)(d) at the time of submission (for example financial statements, pricing and supplier terms, proprietary operating methods, and the identities of subcontractors, suppliers or other team members); whether NYCEDC will treat portions so marked as confidential during evaluation and prior to any contract award, with notice and an opportunity to object before release; and whether marked portions are evaluated on the same basis as unmarked material.

A Respondent that wishes to identify portions of its Proposal as potentially exempt from disclosure under FOIL should submit a complete, unredacted copy of its Proposal, together with a separate copy identifying the portions for which the Respondent seeks confidential treatment. Any proposed redactions should be clearly marked but should not be applied in a manner that obscures the underlying text. The Respondent should also provide a cover letter from a senior manager or attorney explaining the basis for its position that the identified material is exempt from disclosure under FOIL, including, as applicable, under Public Officers Law § 87(2)(d).

NYCEDC cannot guarantee in advance that it will agree that any material identified by a Respondent as exempt from disclosure will in fact be withheld in response to a FOIL request. Each request is reviewed carefully on a case by case basis, including consideration of any applicable exemptions. NYCEDC also does not commit to providing a Respondent with advance notice of a FOIL request or an opportunity to object before NYCEDC responds to the request.

22. Please clarify (a) the expected timing of any supplier channel or purchasing collaboration relative to store opening; (b) how supply interruptions outside the Operator's control, including a vendor's refusal or inability to serve the store, would be treated under the Affordability Payment and the operating agreement; and (c) whether the resilience and diversity of a Respondent's proposed supply arrangements will be considered within the qualifications and proposal criteria.

The supplier channel under NYCEDC evaluation is intended to connect selected Operator(s) with smaller suppliers and producers. Respondents shall assume responsibility for independently securing and maintaining the wholesale supply relationships necessary to supply the stores' inventory and support their proposed operating models. NYCEDC recognizes that supply chain disruptions, vendor capacity constraints, and other circumstances that are outside of an Operator's control may arise over the course of operations. Respondents are encouraged to propose resilient sourcing strategies, contingency plans, and/or backup supply arrangements designed to mitigate such risks that would be associated with any traditional grocery store operations. Such demonstration of resilience and feasibility of proposed supply arrangements may be considered as part of NYCEDC's evaluation of the overall Proposal. NYCEDC expects to work collaboratively with the selected Operator(s) to address any unforeseen supply chain disruptions and develop reasonable mitigation strategies where appropriate. The treatment of such events will be determined based on the specific facts and terms established in the applicable agreement.

23. Appendix D notes that the Bronx Site is approximately an eight-minute drive from the Hunts Point Cooperative Market, and Q&A 1 #20 and Q&A 2 #36 treat Hunts Point and local sourcing as favorable. Will NYCEDC treat purchasing at the Hunts Point produce, meat and fish markets, directly from merchants or through market-based purveyors, as satisfying the RFP's expectation of "primary wholesale contracts in place" for those categories, and does NYCEDC intend to include the market cooperatives in the supplier channel contemplated in Q&A 2 #35?

Refer to Question 16 for clarification on "primary wholesale contracts" and information related to the supplier channel contemplated in Q&A 2 #35.