

ADDENDUM 1

RFQ 22-0568

Grocery Store Development Consultant

Questions and Answers

April 29, 2022

1. If the answers to these inquiries inspire additional questions, how might we submit follow up questions?

There will not be an additional question and answer period. If, after submittals, your firm is selected for an interview, we will have Q&A in the interview portion.

2. p2 2.3 Communication - At what point(s) are we able and unable to communicate directly with the co-op?

As the Northside Food Cooperative will be on the Selection Committee, no contact may take place until the interview process.

3. p2 2.7 Evaluation and Interviews - Does the county have an intended process and timeline for this RFQ? Can we expect the opportunity to interview and provide conversational context to a proposal or RFQ?

The County plans to interview the top firms following internal review of submittals. The County anticipates contacting top firms within 10 business days of RFQ deadline.

4. p4 2.19 Certificate of Authority - At what point is this required?

Prior to contract execution.

5. p4 2.22 Registration - Confirming that this is a prerequisite to submitting an RFQ response?

Yes.

6. p5 Please clarify the scope relevant to this RFQ. We're seeing two possibilities. Is the scope here...

1)

- Site assessment, design, and development, *(to include the assistance in creation of Request for Qualifications for selection of: design and construction services;)*
- store management and operations plan;
- employee hiring and management;
- purchasing and procurement;
- equipment selection, purchase, and installation;
- marketing, advertising, promotions and community outreach;
- safety and loss prevention;
- retail and POS system implementation;
- regulatory compliance.

- profit and loss management;
- and budgeting.

OR,

2) Site assessment, design, and development, *(to include the assistance in creation of Request for Qualifications for selection of:*

- *design and construction services;*
- *store management and operations plan;*
- *employee hiring and management;*
- *purchasing and procurement;*
- *equipment selection, purchase, and installation;*
- *marketing, advertising, promotions and community outreach;*
- *safety and loss prevention;*
- *retail and POS system implementation;*
- *regulatory compliance;*
- *profit and loss management;*
- *and budgeting.)*

We are looking for a consultant that can provide overall advice on the development of a comprehensive plan for the grocery store- from site assessment to operations.

7. p5 Please define “design” and “development” within this context?

For “design” we typically include conceptual and full store planning and design of the space, including retail, back of house and functional exterior areas (receiving, etc.) This includes programming, equipment specification and procurement, interior design (all finishes and equipment, lighting & signage), prepared foods program (menu) and kitchen design.

First phase of project will be for conceptual planning.

“Design and construction services” typically includes architectural services, site planning, mechanical, electrical, and plumbing design, exterior and landscape design, as well as general contracting/subcontracting by trade.

Later phase

8. p5 Will the project include professional project management services? If so, should that be included in the scope of this response?

Project management focusing on consultation and evolution of project.

Design/engineering project management in later phase.

9. p5 What is the extent of the work being defined by “design and development” in this section? *i.e. at the end of the work being defined in this RFQ, is the goal to have preliminary grocery design, or full construction documents for the store?*

Preliminary design and business operation plan.

10. p5 Please clarify what is meant by “*regulatory compliance*”
Understanding and incorporation of any regulatory requirements related to grocery store development and operations.

11. p5 This section states that the operation of the store will be undertaken by the Northside Food Co-op. In our experience developing many cooperative grocery stores the following work is part of the ongoing operations of the co-op:

- *employee hiring and management;*
- *marketing, advertising, promotions and community outreach;*
- *safety and loss prevention;*
- *retail and POS system implementation;*
- *regulatory compliance;*
- *profit and loss management;*
- *and budgeting*

We can provide systems and support in these functions. Can you clarify what is intended for the scope here?

We are looking for advice on the potential for success of operations under anticipated coop operation.

12. p5 We did not receive Exhibit A (*Market Study Addendum dated March 4, 2022*), can that be provided?

Yes, see attachment.

13. p6 (4) Site Design Standards

- Please verify that the site design standards section articulates some priorities and required standards for design and the response should address the firm’s ability to provide solutions that align to those priorities and the response does not need to include any design of the site showing these standards applied.

Confirmed

- Our contribution in this area would typically be to provide a grocery operations lens and recommendations to the architect/developer to create a functional site plan, which would occur during the active development process. We do frequently create site plan concepts to be reviewed by the project architect. How might that be addressed within this RFQ to adequately meet the requirements?

Examples of prior experience

- In our experience developing community grocery stores, the process is collaborative across a number of disciplines. Is the county looking to engage one firm to accomplish the entire project scope or is the county planning to engage multiple firms to cover the project deliverables?

This is the type of advice we are seeking as we begin the process of grocery store planning.

14. p8 III. Operation Standards

“Accomplished in store management and operations plan; employee hiring and management; purchasing and procurement; equipment selection, purchase, and installation; marketing, advertising, promotions, and community outreach; safety and loss prevention; retail and POS system implementation; regulatory compliance; profit and loss management; and budgeting.”

- Does this speak to the scope of work to be included/performed resulting from this RFQ, or pertain to the experience/background of the firm/parties?

Experience of firm

15. p8 III. Operation Standards

“Ability to provide a detailed timeline for entire project.”

- Is there a desired timeline for this project, or a projected opening date?

We hope to move this project along as quickly as possible due to the need for the grocery store but do not want to do so at the detriment of a complete and thoughtful plan.

- Please clarify if this detail refers to providing an overall timeline for the entire project or timelines for the areas in the specified scope.

Overall timeline anticipated.

- Because the nature of this work is highly dependent on the initial site conditions, as well as the timelines of other disciplines outside of the control of the vendor (including permitting, etc.), timelines can vary widely. At this stage, we typically provide time frame estimates by phase. Would this be sufficient?

Yes

16. p10

Our firm is 50% woman owned and 25% minority owned. Does that qualify as a woman- or minority-owned business under your definition?

Minority and Women Business Enterprise (MWBE) - North Carolina General Statute 143-128.2 defines a “minority business” as a business that is at least 51% owned and controlled by one or more minority persons or socially and economically disadvantaged individuals. The statute also includes corporations in which at least 51% of stock is owned by one or more minority or socially and economically disadvantaged individuals.

17. p13

- 3. Time of Performance - While every project is unique, grocery development projects typically span 18-24 months. Material and equipment lead times in the industry are currently such that it seems unrealistic to finish a project within 12 months. Is this contract clause intended to define the timeline of the project, or might it be amended prior to finalization?

We hope to move this project along as quickly as possible due to the need for the grocery store but do not want to do so at the detriment of a complete and thoughtful plan.

MARKET STUDY ADDENDUM

TO: NORTHSIDE FOOD CO-OP
FROM: DEBBIE SUASSUNA
SUBJECT: SALES FORECAST FOR A NEW PROPOSED SITE
DATE: 3/4/22

Attached is the sales forecast for a new proposed site for Northside Food Co-op located at the northwest corner of Fanning Street and North 10th Street in Wilmington, North Carolina. While there is no definitive open date for the proposed co-op, it is presumed for now that it will open in mid-2023, thus making 2024 its first full year of operation. Also, because it will be a new store in a new market, it will likely take several years for it to reach its mature sales level. Based on the results of the sales forecast analysis, the proposed site is projected to generate first year (2024) sales of \$2.24 million. The overall sales potential for Northside Food Co-op at this location would be hampered by the below-average trade area population base of 26,900 persons that reside in households (versus 96,700 persons for the Co-op database average); the per capita incomes, educational attainments, and occupations exhibited by many trade area residents which are indicative of fewer dollars available to spend at grocery stores; and the lack of any significantly beneficial retail synergy in the vicinity of the site that would help draw prospective co-op shoppers to the area. In fact, given the more limited sales potential for Northside Food Co-op at this location, it is recommended that the co-op planning group consider opening a smaller-sized store (with no more than about 4,000 square feet of sales area) and with a scaled-back prepared foods department (i.e., emphasizing grab and go foods and self-serve options rather than full-service options). And the more full-service options can be added to the co-op in future years if/when sales growth warrants.

The proposed co-op at Fanning Street/North 10th Street would be part of a future development; therefore, its sales forecast is based on certain assumptions which include following:

- The proposed co-op will occupy a free-standing, single-story building that will be 7,995 total square feet in size. And there will be at least 22 off-street "co-op only" parking spaces for the proposed co-op.

- The proposed co-op will be the only occupant of the building, which should provide for a sales area of about 5,000 square feet.
- The proposed store will feature fresh foods, locally produced foods, and conventional foods. Specifically, the store will include traditional departments such as dry grocery; dairy and frozen foods; fruits and vegetables; bulk foods/herbs; pre-packaged fresh/frozen meat, poultry, and seafood; a deli with a self-serve soup/salad/wings bars, rotisserie chicken, grab and go foods, some made-to-order food items (e.g., a sandwich station or other food station deemed appropriate by the co-op), value-added meats (e.g., kabobs, stuffed porkchops, etc.); and indoor/outdoor seating areas; beer/wine; some baked items (muffins, pastries, etc.) made from scratch with other items (e.g., bread) outsourced to local vendors; health/beauty/body care products; vitamins/supplements; and some general merchandise. Finally, it is recommended that the co-op not carry much in the way of household goods or paper products (at least in its initial years of operation) as many trade area residents are likely searching for the absolute lowest prices for these products which can be found at other stores (e.g., Family Dollar, Dollar General, etc.).
- The proposed co-op will have a good selection of WIC foods and accept Electronic Benefit Transfer (EBT) Cards.
- It is assumed that the competitive environment will remain unchanged throughout the forecast period.
- The co-op planning group will use an aggressive direct mail marketing strategy (i.e., offer a store coupon of great value, offer free lunches for kids, double their EBT savings, etc.) in order to raise awareness of Northside Food Co-op throughout its trade area. The marketing campaign should represent an effective means of getting trade area residents to change their current shopping habits and shop at the co-op. And this is viewed as critically important for the co-op to reach the sales projection in this analysis given the lack of a shopping orientation toward this site.
- Growth in sales for existing food co-ops has slowed in recent years; therefore, a 2% annual growth rate has been assumed throughout the forecast period.
- Store maturity is not expected to occur for at least four years.



SALES FORECAST SUMMARY

**Proposed Northside Food Co-op
NWC Fanning Street/North 10th Street
Wilmington, NC**

	Proposed Site	Co-op Database Store Average
Sales Area (Sq.Ft.)	5,000	6,677
<u>Key Forecasting Variables</u>		
Total Population	27,789	101,609
Group Quarters Population	846	4,877
Total Population in Households	26,943	96,732
% Work at Home	8%	7%
% College Graduate	34%	42%
% Non-Family Households	50%	42%
Per Capita Income	\$26,328	\$35,615
% White Collar	57%	64%
% Annual Population Growth	1.0%	0.4%
% Pop Equally/More Convenient to other Co-op	0%	14%
% Pop Equally/More Convenient to Large-Format Nat Foods Competitor	11%	19%
% Pop Equally/More Convenient to Dollar Store	93%	17%
% Pop Equally/More Convenient to Hybrid Competitor	11%	18%
% Pop Equally/More Convenient to Conventional Competitor	83%	88%

Final Sales Forecast

2024 Total First-Year Sales	\$2,235,904 *
2025 Total Second-Year Sales	\$2,470,674 *
2026 Total Third-Year Sales	\$2,713,941 *
2027 Total Fourth-Year Sales	\$2,965,949 *

*** This sales projection assumes the following:**

Store Management =	Assumes that the General Manager will have at least 5 years of experience in food store management; or alternatively, a training program will be established with the management of an existing food store or Columinate.
Store Marketing =	Assumes that there will be direct mail marketing to the residents of the trade area in order to raise awareness of the co-op and its location; this is viewed as critically important to the success of the co-op given the lack of a shopping orientation toward this site.
Future Annual Sales Growth of =	2% (Based on historical sales growth trends of existing co-op stores)
First-Year Maturity Impact of =	60%
Second-Year Maturity Impact of =	65%
Third-Year Maturity Impact of =	70%
Fourth-Year Maturity Impact of =	75%