

THE CITY OF SOUTH SAN FRANCISCO ADOPTS DELIVERY FEE CAP TO SUPPORT RESTAURANTS DURING COVID-19 PANDEMIC

Third-party delivery providers like Door Dash, Grubhub, and Uber Eats cannot charge restaurants more than 15% commission for delivery and 10% commission for pick-up orders.

On August 26, 2020, the City Council approved temporary emergency legislation to limit the commission that third-party food delivery companies can charge restaurants during the COVID-19 pandemic.

Why adopt a Commission Cap?

- In July 2020, amid a statewide spike in COVID-19 cases statewide, Governor Newsom ordered the shutdown of indoor dining to reduce further spread and protect public health.
- The 200+ eating and drinking establishments in South San Francisco are struggling to stay open, often offering delivery and pick-up through third-party delivery services.
- Prior to adoption of the emergency legislation, delivery services were charging commissions up to 35% of the customer's order.

Emergency Legislation Provisions:

- The emergency legislation imposes a commission cap of 15% of the order subtotal for deliveries and 10% of the order subtotal for pick-ups. These caps apply to the provision of:
 1. Listing menus and processing orders;
 2. delivery (if applicable); and
 3. marketing.
- The commission cap will expire six months after the end of the local health emergency, unless extended by the City Council.
- The legislation also prohibits the third-party delivery services from reducing the pay, including tips, paid to any of their delivery drivers because of the commission caps.
- For the full text of the legislation, please visit www.ssf.net/bizresources.

If you have any questions about the emergency legislation, please contact the City of South San Francisco Economic and Community Development Department at bizresources@ssf.net or 650-829-6620.