



Food Delivery Service Fee Cap

November 17, 2020

Fees charged
to restaurants
without a cap

Uber Eats

30 % for delivery

15% for pickup



DOORDASH

Not public, but fees
up to 28% reported

GRUBHUB™

Often 30% or more

Fees cover:

- Delivery service
- Marketing
- Listing
- Credit card processing

Cities and counties with similar fee caps

San Mateo County:

- South San Francisco
- Millbrae

Northern California:

- Marin County
- Alameda County
- San Francisco
- Oakland
- Berkeley
- Santa Clara (city)
- Santa Cruz (city)
- Fremont
- San Leandro
- Livermore

Southern California:

- Los Angeles (county)
- Los Angeles (city)
- Santa Monica
- Pasadena
- Glendale

Outside California:

- Washington, DC
- New York, NY
- Portland, OR
- Seattle, WA
- St. Louis, MO

Initial Engagement

- SAMCEDA
- Chambers of Commerce
- Delivery Service Providers
- Feedback from restaurants

Components of Fee Cap Regulation

Timing:

- Temporary emergency regulation
- In place until June 30, 2021, or end of COVID-19 local emergency

Reach:

- Covers all restaurants located in San Mateo County
- Applies in unincorporated and incorporated areas

Components of Fee Cap Regulation

Prohibits fees charged to restaurants that exceed:

- 15% for delivery orders
- 10% for pick-up orders

Other protections:

- Prohibits reducing driver pay in response to regulation
- Requires restaurant consent for listing, pricing
- Requires increased pricing transparency on customer receipts

Components of Fee Cap Regulation

Enforcement:

- Restaurants can bring lawsuit and recover attorney's fees

Components of Fee Cap Regulation

Two changes since agenda was posted:

1. Regulation terminates June 30, 2021.
2. Fee cap excludes optional products and services beyond core delivery & pickup services.

Outreach and Engagement

1. San Mateo County Recovery Initiative staff will conduct an outreach and education campaign.
2. Restaurants, chambers of commerce, other business organizations and Food Delivery Service providers will be engaged.



Questions?