

Government Code Section 54957.5
SB 343 Item
Agenda: 06/14/2023
Reg CC - Item #13

Expiration of Urgency Ordinance
1603-2020 temporarily capping
commissions charged by third-
party delivery and pick-up
service platforms.

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Timeline

- August 26, 2020 - City Council approved Urgency Ordinance 1603-2020 establishing a temporary cap on commissions charged by third-party food delivery services affecting local restaurants during the COVID-19 pandemic
- February 28, 2023 – local state of emergency for COVID-19 ended
- August 27, 2023 – 180 days after local state of emergency ends and when urgency ordinance 1603-2020 expires

Survey Findings

- 75% of businesses reported that they are still relying on third-party apps for a significant portion of their business.
- 100% of businesses reported they use DoorDash, Uber Eats, and GrubHub, with 25% of those respondents also using Toast.
- 75% of businesses reported that they also have their own online ordering system because it is cheaper than the third-party application platforms.
- Businesses reported they are currently paying 20-45% to accept orders from third-party apps for delivery and that they are not receiving any add-on support for their service.
- 100% of businesses reported that they do want the City Council to consider adopting a permanent restriction on commission caps.
- Businesses are split down the middle on their opinions on the tiered commission cap system, largely with concerns about the fees that customers are already paying and if businesses opt for the lower end of the commission cap tier, it can impose more fees onto the customer, and can in turn lose customers for the businesses if the fees are too high.

DoorDash Tiered Plan



DoorDash Flexible Partnership Plans

There's no one-size-fits-all solution for helping restaurants thrive — that's why DoorDash offers a Partnership Plan enabling restaurants to choose the specific services they need at the price point they can afford.

Local merchants can choose a plan with a delivery commission rate starting as low as 15% and can add-on the products that best suit their businesses at various tiers of service.

Inspired by feedback from local partners, the plans expand the accessibility and affordability of delivery services while restaurants meet the challenges of a post-pandemic world.

75%
of restaurants agree that DoorDash has allowed them to reach new customers

Included with every plan

Storefront by DoorDash

Let customers order delivery and pickup on your website. Storefront is commission-free and uses your branding and logo.



Your cost

No commissions

Pay just 2.9% + 30 cents per order for credit card processing. No commissions, monthly fees or set-up fees.

Basic

DoorDash at the lowest cost

Let customers order from you on DoorDash and add marketing programs when you need them.

Your cost

15%

Delivery Commission

6%

Pickup Commission

Credit card processing included

Key Benefits

- ✓ Reliable and fast delivery with DoorDash
- ✓ Access to high-value customers with DashPass
- ✓ A bigger delivery area to reach more customers
- ✓ Accept at least 20 orders per month or pay zero commissions*

Plus

More sales with DashPass

Increase sales and reach our most loyal and frequent customers with DashPass.

Your cost

25%

Delivery Commission

6%

Pickup Commission

Credit card processing included

Key Benefits

- ✓ Reliable and fast delivery with DoorDash
- ✓ Access to high-value customers with DashPass
- ✓ A bigger delivery area to reach more customers
- ✓ Accept at least 20 orders per month or pay zero commissions*

Premium

The most orders and new customers

Maximize sales with the biggest delivery area, DashPass, and more. Backed by our Growth Guarantee.

Your cost

30%

Delivery Commission

6%

Pickup Commission

Credit card processing included

Key Benefits

- ✓ Reliable and fast delivery with DoorDash
- ✓ Access to high-value customers with DashPass
- ✓ A bigger delivery area to reach more customers
- ✓ Accept at least 20 orders per month or pay zero commissions*

*Complete at least 20 orders per month or DoorDash will refund your commission costs for that month. Partners are eligible for this rebate if they are on the Premier plan or certain custom rates and if (1) they cancel fewer than 5 orders that month and (2) maintain "open hours" on DoorDash for 90% of the Store Hours that they have set in the Merchant Portal.



Restaurant Pricing Options

Basic	Plus	Premium	All Packages include
Launch your restaurant	Promote your restaurant	Power your restaurant	<ul style="list-style-type: none">• Free direct ordering link• Free photoshoot• Free Tablet• Access to Exclusive Branded Virtual Restaurants• Self-Delivery available for 10% savings• 3.05% + \$0.30 per Order Processing Fee Applies
PAY ONLY 15%	PAY ONLY 20% <i>35% more orders than Basic pkg.</i>	PAY ONLY 25% <i>45% more orders than Basic pkg.</i>	
Higher Diner Delivery Fees Free POS Integration	Standard Diner Delivery Fees Free POS Integration Permanent Access to GH+ Diners Assisted Diner Marketing (Specific promo for your restaurant)	Lowest Diner Delivery Fees Free POS Integration Permanent Access to GH+ Diners Assisted Diner Marketing (Specific promo for your restaurant) Ability to run promotions Free Pickup for diners (EOY) Respond to Ratings and Reviews	
30 DAY FREE TRIAL	60 DAY FREE TRIAL	60 DAY FREE TRIAL	

UberEats Tiered Plan

Choose the plan that's right for your business

You can switch your plan or end your contract anytime with no penalty.

Lite	Plus	Premium
Keep costs low Sell to customers who already know you	Grow your sales Get discovered by new customers	Maximize your sales Stand out to new customers <i>0% if you don't get 25 orders a month</i>
15% for delivery orders 6% for pickup orders	25% for delivery orders 6% for pickup orders	30% for delivery orders 6% for pickup orders
Choose Lite	Choose Plus	Choose Premium
<ul style="list-style-type: none">Only appear in Uber Eats app when customers search for you directly\$\$\$ Delivery Fee for your customersUber pass benefits don't apply when members order from youRun ads and promotions at your own cost	<ul style="list-style-type: none">Shown in Uber Eats app home screen\$\$ Delivery Fee for your customersUber pass members get benefits when they order from youRun ads and promotions at your own cost	<ul style="list-style-type: none">Shown higher in the Uber Eats app home screen\$ Delivery Fee for your customersUber pass members get benefits when they order from youWe'll match your custom ad spend up to \$100 every month

+ Compare plan details

Benefits across all plans

Reliable order processing	Zero credit card fees	Performance data and insights	24/7 support
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Where applicable, Uber Eats may adjust plan benefits and service levels due to maximum allowable fee(s) in Merchant's location.

Option 1 – Create Permanent Tiered Commission Cap System

- Option that San Francisco and the app platforms came to an agreement on after being sued for placing a permanent commission cap.
- Third-party app platforms already have a tiered system in place

Option 2 – Allow Ordinance to End with No Further Action

- Staff can revisit this item in six (6) months by following up with merchants to see how their businesses are doing with no commission cap and City Council can determine if they are comfortable with the decision they made or if they would like to reconsider the permanent cap.
- Consistent with all the other suburban municipalities in the County and Bay Area.