

As we continue to move towards reopening our restaurants and services, delivery services are expected to maintain high levels of use. In many cases, popular 3rd party delivery services have charged up to 40% per order, leaving no room for profit for small and local restaurants.

1. Local Campaigns
 - a. Awareness
 - i. Develop images/page explaining high cost of commissions associated with 3rd party services.
 - ii. Work with restaurants to create/distribute promotions to spread awareness about high costs of commissions.

Restaurants and businesses are relying on curbside pickup now more than ever. As local leaders, we should do everything we can to ensure that customers have easy access to parking as close to restaurant doors as possible. Coordinate with partners to purchase yard signs to indicate that parking spaces are for curbside pickup only. Contact your local print shop to find out if they are fulfilling orders online to generate support for them too.

- b. Curbside first campaign / call first campaigns
 - i. Incentivize pick-up/curbside orders with promotional offers.
 1. \$3 off next curbside or pickup order
 2. Loyalty cards that are pickup specific, i.e. 10 pickup offers = free menu item.
 - ii. Coordinate with local government to implement 10-15-minute pickup/curbside only parking.

Action is being taken at multiple levels of government. In Pennsylvania, the City of Bethlehem passed resolution NO. 2020-076:

RESOLUTION NO. 2020-076

Resolution Urging The City of Bethlehem, the Pennsylvania General Assembly, and the United States Congress to Investigate and Address Business Practices of Online Food Service Delivery Applications that Threaten the Economic Health and Survival of Independently Owned Local Restaurants and the Livelihood of Their Workers During the COVID-19 Crisis

A template will be available upon request.

2. **Implementing a local delivery service.**
 - **Conduct Restaurant delivery-related business survey**

- a. **Restaurants**
 - i. What are the steps?
 - ii. Liabilities, etc?
- b. **Local Revitalization Organizations**

Possible objective: Developing an outline of steps and considerations to create a local delivery service.

Additional considerations:

Always consult with your local Small Business Development Center and insurance agent.

- **If you must choose, which is the best delivery service for downtown?**
 - I.e., which is the most downtown friendly?

Check out:

- <https://get.chownow.com/order-better/>
- <https://www.businesswire.com/news/home/20200428005117/en/Introducing-Toast-Delivery-Services%E2%84%A2-Flat-Rate-Delivery-Platform>
<https://pos.toasttab.com/products/toast-delivery-services>
- <https://www.npr.org/2020/05/14/856444431/cities-crack-down-on-food-delivery-app-fees-as-restaurants-struggle-to-survive>
- <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4344564&GUID=BAB73224-E999-411A-8C42-1BDF14C0DACE&Options=ID%7CText%7C&Search=food+delivery>

Local Example: *Removed details that could identify restaurant*

- A Pennsylvania small restaurant offers delivery within 5 miles at \$3 additional fee.
 - \$2 goes to driver, \$1 to offset costs of the restaurant's insurance, which covers well over half of the \$6200 they pay for the year)
 - Delivery service is integrated with their Point of Sales (POS) system. Orders are tallied, cashed out/credited and dispatched through this system. *Delivery orders represent about 25-30% of their sales.*
 - Delivery drivers are payroll employees that ear \$7/hour but average \$15/hour. They keep all tips plus the \$2 per order from local restaurant. While their hours vary, it is mostly 11am-9pm or 10pm, seven days a week. There are anywhere from one to four drivers with some overlap on shift at any time.

- Their insurance policy is \$6200 per year for Hired and non-owned auto insurance: *HNOA coverage*.
 - The owner vets delivery drivers: License, registration, insurance, runs motor vehicle report for 3- or 10-year history. (Cost is \$11) Drivers must be over 18 year of age, with min. 2 years delivery experience, no major traffic violations in last 5 years. This can be obtained with the link below from the Pennsylvania Department of Transportation:
 - <https://apps.pa.gov/idr>
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Additional Considerations:

- Improvement would be that the drivers should increase personal vehicle policy to cover damages up to \$100K. Most carry a \$15K limit of exposure
- What GEDP has recently put in place at the cost of \$300 with Phila. Insurance covers what Mish described as "kernel" of a delivery program through the end of our current policy term in October. (2-5 employees, light, or occasional use of their own personal vehicles). If we "blow it up" to something much larger, we would have to renegotiate that as we work on the policy renewal. But we are currently covered to do what the restaurant is doing at this time with "non owned" liability coverage.

And more detail on delivery service and proper insurance coverage from our insurance agent:

If the permitted and vetted driver is operating a company owned vehicle, the vehicle is already being charged a premium, albeit based upon 'business' use and not necessarily 'delivery' use.

When the driver is operating their own vehicle, the company has "non-owned auto liability" but only on an incidental (if-any-basis), and that charge is nominal.

It's when the insurer learns that delivery is not incidental - that's when the insurer (if they are willing to stay on the risk, because most delivery operations are not run as well as the above described restaurant) determines APPROPRIATE ADDITIONAL PREMIUM – which is obviously more expensive.

I am speaking from the employer/business/company perspective only – incidental usage of a company vehicle versus intentional, frequent delivery usage by that same vehicle.

As for the employee-owned vehicle, there are so many insurance companies with their own forms and exclusions – I cannot comment on what the employee's insurer would do or not do for their policyholder using own car for delivery. There are many insurers who

have modified policies in the age of UBER and LYFT – it would be a case-by-case review as to whether the employee's automobile policy would respond to an at-fault accident if it occurred during delivery. There may be exclusions or limitations.

Hence, the need for employers to affirm employee drivers have good driving records, good insurance limits, and the charge on the employer's policy for this exposure.