



**GUIDE:**  
**SUPPLIER FAQ'S**  
*FREQUENTLY ANSWERED QUESTIONS*

*We get you*

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## HOW TO APPLY

To register on our database, companies are welcome to complete the General RFSI and return it to Hollard with the supporting documentation.

Submission does not create a contractual obligation or act as a guarantee that Hollard will enter into any kind of business relationship with you.

Companies will only be contacted in the event that their services are required.

### PREFERRED METHOD OF COMMUNICATION

We prefer to communicate via e-mail which includes the ordering and/or authorisation of goods or services. We respectfully urge companies to ensure their emails are manned regularly.

### SPECIFIC SUPPLIER REVIEWS

Procurement runs formal review or tender processes from time to time for groups of goods or services depending on business requirements.

It is usually aimed at high spend areas. This process requires companies to participate strictly according to set criteria and timelines.

Alternatively companies are welcome to complete the General RFSI to register their company on the database.

### DO YOU MEET THE CRITERIA?

Our *Objective Selection Criteria* (OSC) process promotes and allows companies to compete in terms of their value offering which comprises aspects of quality, service excellence, technology, black economic empowerment and commercial issues.

The *minimum entry level* criteria are not negotiable and will apply at all times regardless of goods or services offered.

### MINIMUM ENTRY LEVEL CRITERIA

These are relevant to your specific industry and service offering and if a sole trader and/or registered company. These are listed in order of priority.

- BEE - Hollard strongly supports the DTI's BEE initiative and will give 1st preference to:
  - companies or sole traders that have been officially BEE rated;
  - are in possession of valid and current BEE rating documentation;
  - have a minimum level 4 - including enterprises that are a 100% BEE owned are required;
- Rates and fees offered are fair, industry / market related and negotiable;
- Able to provide a Letter of Good Standing from SARS reflecting the name under which you or your company will be trading and issue invoices under to Hollard;
- Have the relevant insurances in place and when requested are be able to provide proof;
- Adherence to industry regulations, recognised

associations you or your company is a valid member of;

- Have been established and in operation for at least 1 year in the industry / services offered to Hollard;
- Have suitable premises with experienced and qualified / accredited staff, proper tools / equipment;
- Provide accurate and full ownership details with supporting ID documentation;
- When required will grant full permissions to enable Hollard to perform industry standard background checks and were transparent in terms of disclosures;

### OBJECTIVE SELECTION CRITERIA

An Objective Selection Criteria (OSC) was designed to be fair and transparent, based on requirements that are reasonable.

The OCS is applied relevant to specific goods or services but the minimum entry level criteria are applied at all times regardless of goods or services offered.

- The minimum entry level criteria
- Number of companies required is determined geographically by the type and number of claims vs policyholders for our stakeholders
- Scope of services offered per company
- Availability of general and specialised services in the various geographical areas
- Network (branches / coverage) and infrastructure of the company
- General quality of service delivered
- Past experience and history with Hollard and in the market (where applicable)
- Suitable premises
- Adherence to the review process conditions, timelines and responded accordingly

### SELECTION PROCESS

The *minimum entry level* criteria and *OSC* will apply, however, it is important to note that in most industry sectors there are more suppliers than any one insurer can enter into business arrangements with.

While healthy long term relationships are very important, providing opportunities to other companies to do business with Hollard is also recognised but always conditional to the minimum entry level criteria and the OSC.

Final selections will take place based on Hollards own

historical and projected utilisation statistics taking into consideration:

- Geographic - regionally and per radius
- Availability of technically suitable / qualified suppliers - geographically and per radius
- Type of suppliers - specialised, major or minor, warranties, replacements or repair, etc.
- Type of general or specialised items for repair / replacement
- Type of general or specialised services required

Unless there is an opportunity for regular work, Hollard will not enter into agreements with suppliers BUT their details are placed on the database.

Preference will be given to these suppliers if we are required to source additional suppliers.

Companies that were not successful will be notified in writing. Questions regarding a process or decisions can be addressed to [procurement@hollard.co.za](mailto:procurement@hollard.co.za).

### BACKGROUND CHECKS

It is industry best practice to do routine checks on any potential employee and/or business partners.

These checks will only be done if your business has been short listed. Refer to [BACKGROUND CHECKS EXPLAINED?](#)

### REQUIRED DOCUMENTATION

- A registered VAT vendor must submit a copy of the current VAT certificate from SARS indicating the registered and trading names which must appear on their invoices;
- A registered business entity must submit a copy of the current company registration certificate from CIPRO;
- Copies of relevant approvals and/or grading certificates;
- A fee / rating schedule;
- BEE Certificate / EME Letter;
- When requested copies of all the owners ID documents;
- Refer to minimum requirements for more info;

### KEEP US UPDATED

Please notify us of relevant changes in your company eg:

- Ownership
- BEE rating
- Company name
- Main contact people
- Physical address
- Contact details
- Goods or services offered

## GOODS AND SERVICES

Procurement Spend is any goods or services that are procured (purchased) but excludes: tax, public sector procurement, salaries, wages and emoluments, investments or loan, imports and pass-through third-party procurement. Below is a common list but not limited to these.

### CAPITAL EXPENDITURE (HOLLARD'S INTERNAL SPEND)

- Building Services (cleaning, alterations, repairs)
- Business Delivery Services (mail services, courier services)
- Business Infrastructure (equipment rental, furniture, office machines, security, vehicles)
- Information Technology (computer software & maintenance, networking)
- Marketing (advertising, promotion items, merchandising)
- Offices Services & Supplies (stationery, catering, food services, flowers)
- Professional Services (accounting, consulting, legal services, staff recruitment)
- Telecommunications (telephone systems, data lines)
- Training (courses, seminars)
- Travel and entertainment (car hire, accommodation, flights)

### CLAIMS

- Accident Reconstruction Specialists
- Appliances (Repair & Replace)
- Assessors Non-Motor
- Audio Visual (Repair & Replace)
- Auditors Motor & Non-motor
- Auto Glass
- Bicycles
- Building Contractors
- Car Hire
- Carpets & Floors
- Communications - Cell, 3G (Repair & Replace)
- Computers & Accessories (Repair & Replace)

- Contact Centre (Accident Assist, Roadside, & Home)
- Digital Solutions (Cameras, Video Camera, etc.)
- Electricians
- Gate Motor (Repair & Replace)
- General
- General Dealers & Suppliers
- Golf
- Investigator - General
- Jewellery & Watches Manuf & Retailers
- Loss Adjusters
- Mechanical Vehicle Repairs
- Media, CD & DVD's
- On-line Assessing System (Audatex)
- On-line Credit Bureau (TransUnion ITC)
- On-line Replacement Specialists (E-Voucha / Value Card)
- On-line Vehicle Valuations (Mead & McGrouther)
- Optometrist & Sunglasses
- Outdoor Equipment (Tools, Furniture, Camping, 4 x 4)
- Plumbing & Geysers
- Pools & Spa's (Repair & Replace)
- Salvage Motor - Commercial & Domestic
- Specialist (Restoration, Persians, Art, etc.)
- Specialist Services (Consultants, BEE, gemmologist, etc.)
- Sporting Goods
- Suppliers - Commercial & Domestic
- Towing Commercial & Domestic
- TP Recoveries & Defence
- Tracing Agents
- Tyres
- Vehicle Tracking Behaviour
- Weather Bureau

## SARS : LETTER OF GOOD STANDING

This document is issued by SARS free of charge. It confirms that you the taxpayer have met all the regulatory requirements for operating businesses in the following areas:

- Income Tax
- Value Added Tax
- Employees Tax / PAYE
- Skills Development Levies
- Or Unemployment Insurance Contributions

The above is dependant on if you are:

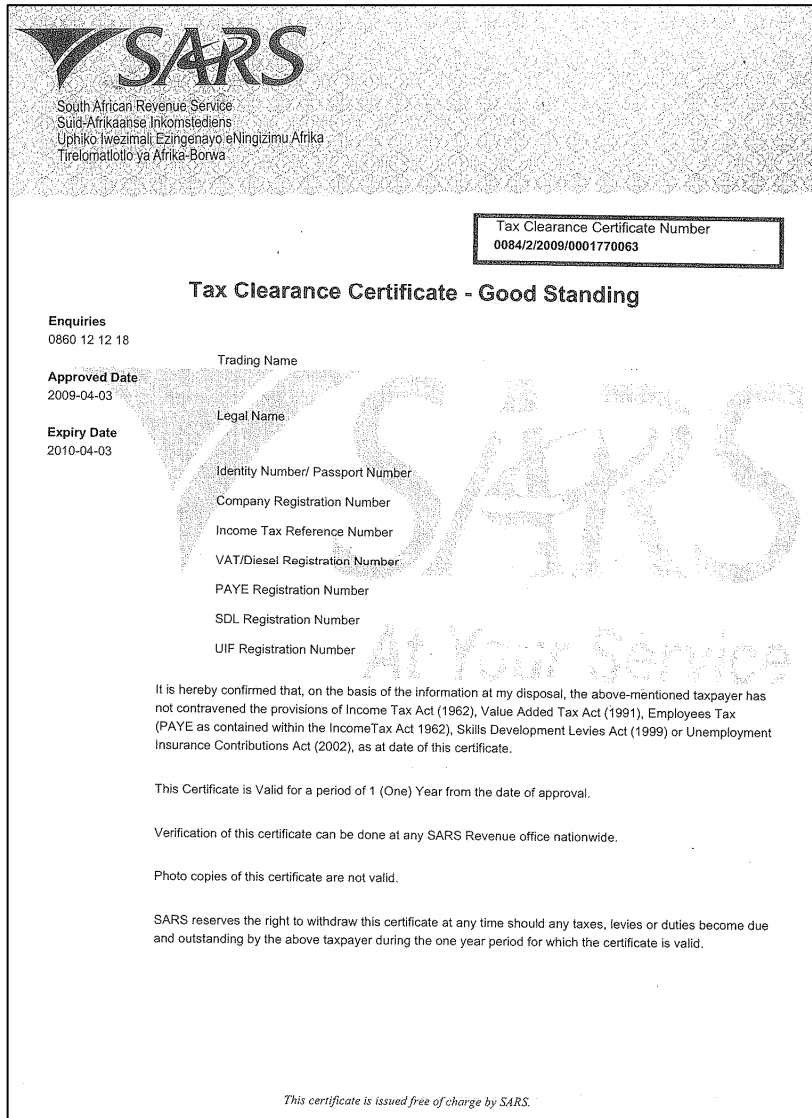
- A sole trader
- Registered entity
- Employ staff

The important aspects for Hollard are the confirmation of your trading and legal names and vat number is relevant for the company names under which you trade with us.

The remainder indicates that you are serious about your business.

**NOTE:**

- As per SARS, the document is valid for one year, from date of approval;
- As a rule Hollard verifies all tax numbers / certificates with SARS;
- In the event of any discrepancies with the vat number and/or vat registered name compared to that appearing on the invoices submitted for payment that cannot be reasonably explained or rectified, the supplier who issued us with the documentation as their own, are reported to SARS and the vat portion shown on the suppliers invoices are not paid;
- Vat is only paid if the vat documents are valid at time of the vat charged.



## REQUIRED INSURANCES

Hollard requires that suppliers / service providers have conditional insurance in place by you or your company to cover Hollard against claims that may arise during the course of you or your company providing goods or professional services to Hollard or their policyholders.

There are many things which can and often do go wrong with many businesses. The new consumer protection act, to be released in October 2010, will provide the consumer with guidelines on how to protect themselves and what steps can be taken.

There are certain risks you must assume when running a business and should minimize your risks by being properly insured with adequate protection.

### MOTOR TRADE INSURANCE

- Typically for motor traders and garage owners. If you own the vehicles on your shop floor, or you run a vehicle repair shop where the vehicles do not belong to you, you are open to liability for damage, loss or repair costs caused through accidental damage to these vehicles whilst under your care?
- Internal insurance - provides cover against accidental damage to vehicles whilst on the premises of the insured business.
- External insurance - provides cover for accidental damage to vehicles away from the premises of the insured business.

### LIABILITY INSURANCE

- Typically all individuals or companies that are appointed to do work for Hollard as they can incur liability in so many ways. It will be slightly different for each company depending on where they work, what they do and whether they visit clients premises, whether clients visit their premises, whether they have contractors doing work on their behalf.
- Provides you and your company with cover for financial costs associated with being found liable to a third party for death, illness, bodily injury or damage to property. Additional cover can include legal defence costs, damages resulting from wrongful arrest, associated assault and defamation, damages caused by sudden and unforeseen pollution and contamination; defective workmanship; defective products; internal liabilities; external liabilities; trustees liabilities; veld-fires liability.

### PRODUCT INSURANCE

- Typically for all suppliers that provide any type of goods and commodities as part of their service offer.
- Provides you and your company with cover from costly reimbursements. A business owner may be held accountable for injury or death from a product which had a design or manufacturing flaw. In this case, it really makes no difference if your company made the item or not, you may be held personally liable if you don't have the proper coverage. Regular Liability Insurance may not cover all Liabilities eg. Medical costs, attorney's fees and punitive damages in some situations. A separate Product Liability Insurance policy is a good way to cover all your bases, making sure you know that you're actually covered in the event of a claim made against you.

### PROFESSIONAL INDEMNITY INSURANCE

- Typically for loss adjusters, motor assessors, investigators, attorneys, consultants etc.
- Provides insured with indemnity if you or your company offer professional services where a fee is earned for professional advice on which decisions are based and legal liability arise as a result of individual or company negligent acts, errors or omissions.

### FIDELITY GUARANTEE

- Typically for companies that handle money of Hollard's behalf.
- Provides indemnity for you or your company for the loss of money or property suffered as a direct result of acts of fraud, theft or dishonesty by an employee in the course of employment. Defence costs, judgements and settlements are also covered.

For more information on Insurance visit  
<http://www.insuranceexplained.co.za/business/business-insurance-explained-.html>

## BEE MADE SIMPLE

Hollard acknowledges that BEE is a complicated issue and has provided some information to help you understand BEE and its requirements.

The Department of Trade and Industry's (DTI) are the drivers of the BEE initiative. Level 4 is the target for most companies.

Hollard are guided by the DTI Codes that were released and Gazetted in February 2007. It is a requirement for all companies.

**GOOD NEWS:** - If you (sole trader) or your company (registered entity) earn below R5m per annum you are an automatic level 4 - refer further on for details

**BAD NEWS:** - Companies with BEE ownership is required to be officially BEE rated and submit the documents.

### NOT BEE RATED YET?

It is essential for Hollard to report on the BEE spend of all suppliers used by the Hollard Group and their respective partners and brokers.

### SELF ASSESSMENT

Self accreditation is no longer recognised or accepted.

### ARE YOU A 100% BEE OWNED COMPANY?

BEE ownership and specifically BEE women ownership gets additional points.

For BEE spend to be recognised, companies / sole traders must be officially BEE rated.

### IS YOUR ANNUAL TURNOVER LESS THAN R5mil?

Please confirm this by obtaining a letter from a registered accountant or auditor indicating their practice number and be on their official stationery / letterhead.

This document, renewable annually, must state your company's full name, financial period, date of assessment.

### HOW LONG IS A BEE DOCUMENT VALID FOR?

The current BBEE certificates are only valid until February 2010; thereafter it must be **validated by a SANAS accredited verification agency.**

EME Letters and BEE certificates are valid for one financial year.

### WHO IS SANAS?



- The South African National Accreditation System (SANAS) is recognised by the South African Government as the single National Accreditation Body that gives formal recognition to enterprises that they are competent to perform specific tasks.
- SANAS agencies must perform the BEE assessments strictly according to the guidelines set out by DTI.
- On successful completion they will issue a certificate with the level (1-9) of BEE appropriate to your enterprise and it is applicable to any company requesting it.

Visit the SANAS website for approved BBEE Verification Agencies



### GET DISCOUNT FROM A VERIFICATION AGENCY

Hollard have secured a discounted rate for Hollard Select Suppliers, partners and brokers with Honeycomb who is a SANAS accredited verification agency.

To access this offer through Honeycomb please contact Ridwana Jooma-Cook on Tel: 011 880-1630; Fax: 447-2456; Email: info@honeycomb-bee.co.za

### PROCUREMENT SPEND / PREFERENTIAL PROCUREMENT

Any goods or services that are procured (purchased) but *exclude: tax, public sector procurement, salaries, wages and emoluments, investments or loan, imports and pass-through third-party procurement.*

WHAT DOES A CONSULTING AGENCY DO		WHAT DOES A VERIFICATION AGENCY DO?	
<ul style="list-style-type: none"> <li>• Provides assistance on what is required to participate under the various elements</li> <li>• Guides companies on how they can improve their BEE ratings</li> </ul>		<ul style="list-style-type: none"> <li>• Verify the information and issue a scorecard <i>They must be accredited by SANAS</i> <i>Scorecards must be renewed annually</i></li> </ul>	
WHAT A VERIFIED SCORECARD MEANS TO YOUR CLIENTS eg. Hollard			
Levels	Bee Score	Recognition Level Benefit to the user of the BEE enterprise on any procurement spend	
1	>100	135%	R1.35 = R1 spent
2	85-100	125%	R1.25 = R1 spent
3	75-85	110%	R1.10 = R1 spent
4	65-75	100%	R1.00 = R1 spent
5	55-65	80%	80c = R1 spent
6	45-55	60%	60c = R1 spent
7	40-45	50%	50c = R1 spent
8	30-40	10%	10c = R1 spent

## Supplier Application Guide

NON-COMPLIANT	30<	0%	No value		
<b>STEP 1 - SELECT YOUR COMPANIES ANNUAL TURNOVER</b>					
Greater than R35m		Between R5m and R35m		Less than R5m	
<b>STEP 2 - MATCH THE TURNOVER TO THE SCORECARD</b>					
<b>GENERIC / LARGE</b> Medium to Large Enterprises		<b>QSE</b> Qualifying Small Enterprises		<b>EME</b> Exempt Micro Enterprises	
<b>STEP 3 - DETERMINE THE NUMBER OF PILLARS REQUIRED FOR YOUR SCORECARD</b>					
Generic Scorecard with all 7 of the pillars are required		QSE Scorecard with 4 of the 7 pillars are required		An EME letter is required from an registered accountant, auditor or rating agency	
<b>STEP 4 - SELECT THE PILLARS FOR YOUR SCORECARD</b>					
ELEMENTS	GENERIC <i>All 7 are relevant</i>		QSE <i>Select any 4 of 7</i>		EME <i>Automatic Score</i>
	<i>Weight (points)</i>	<i>Target</i>	<i>Weight (points)</i>	<i>Target</i>	<i>Validate Annual Turnover</i>
1. Ownership	20	25%+1	25	25%+1	N/A
2. Management Control	10	(40-50%)	25	50.1%	
3. Employment Equity	15	(43-80%)	25	(40-70%)	
4. Skills Development	15	3% of payroll	25	2% of payroll	
5. Preferential Procurement	20	70%	25	50%	
6. Enterprise Development	15	3% (NPAT)	25	2% (NPAT)	
7. Socio-Economic Development	5	1% (NPAT)	25	1% (NPAT)	
	<b>100</b>	<b>**</b>	<b>##</b>	<b>**</b>	

### NOTES

- NPAT = Nett Profit After Tax;
- Depending on your companies current status, scoring on some pillars may be easier whilst, others will require long terms commitment and processes before the efforts can be recognised;
- Bonus points can be obtained;
- EME's can achieve higher
- Preferential Procurement or Procurement Spend is

any goods or services that are procured (purchased) but excludes tax, public sector procurement, salaries, wages and emoluments, investments or loan, imports and pass-through third-party procurement.

## INVOICE / PAYMENT COMPLIANCE

Hollard reserves the right to reject any document that does not comply with the Receiver of Revenue requirements – this may delay your payments. Please note the following:

### INVOICING & VAT COMPLIANCE / RULES

The South African Revenue Services (SARS) has issued specific VAT requirements effective 1 March 2005.

- Ensure that you use the correct vat numbers for the different companies (see details above) eg. Hollard Insurance or Hollard Life:
  - The Hollard Insurance Company Limited / Reg No: 1952/003004/06; VAT No: 4450117405
  - Hollard Life Assurance Company Limited / Reg No: 1993/001405/06; VAT No: 4890176532
- Hollard confirms every vat number with SARS - telephonically and/or on their website "www.sarsefiling.co.za".
  - Any documentation you submit relating to a claim / service must reflect the same company names that your VAT number is registered with SARS. It must clearly give both the registered name and "trading as" names.
  - The vat number must be active and current.
  - You may not use another company's vat number. We will be required to report these incidents to SARS.
  - The following information MUST be on the VAT invoice supplied to us
    - the words "VAT invoice" in a prominent place;
    - the full name(s), address & vat registration number of your business entity (must be in accordance with the information held by SARS;
    - the SARS branch where you are registered,
    - the VAT registration number of Hollard (see above for details);
    - an individual serialised invoice number & the date of issue of the tax invoice;
    - itemised and detailed description of the goods or services supplied;
    - the quantity or volume of the goods or services supplied;
    - the value of the supply, amount of tax charged & consideration for the supply

### ELECTRONIC FUND TRANSFER

Hollard only pays by EFT. It is imperative we have your correct bank details on a company letterhead and a copy of a cancelled cheque or bank statement clearly showing the account holders' name, branch code & account number.

### INCORRECT BANK DETAILS SUPPLIED

Hollard accepts no liability if the details supplied by you are incorrect and monies are paid into the incorrect bank account.

### DETAIL ON INVOICE

Hollard requires detailed invoices to ensure prompt payment vs quotes authorised.

- List detail as per quote authorised – include item description, no of units, R per unit, total excl vat, sub total, less discount, less excess, vat, total due.
- Clearly state early settlement terms, eg. 5% if paid within 30 days from date of invoice.
- Bank account details must be clear and typed in invoice – Acc holder name, bank, branch code & name, account number, type of account.
- Mark items for refunds you incurred on Hollard's behalf that do not qualify for a mark-up eg. glass, towing, tyres.
- Extras must be separate from the initial authorised quoted amount.

### ELECTRONIC INVOICES (FAX OR EMAILED)

Electronic invoices are accepted provided that the word "**Copy**" is stamped clearly on the invoice. The invoice must be in a format that cannot be changed. You must retain the original invoice for SARS for 5 years.

### SUPPORTING DOCUMENTATION

Any costs you paid on Hollard's behalf and requesting a refund for must be accompanied by the necessary supporting invoices. **No refunds will be paid otherwise.**

### EXTRAS

Extras must be authorised in writing by Hollard. Include the necessary authorisation to prevent delays.

## BACKGROUND CHECKS EXPLAINED?

It is industry best practice to do routine checks on any potential employee and/or business partners.

Suppliers can be sole traders / registered entities', owners (sole proprietor), partners, directors, shareholders and members.

Transparency is key to a healthy relationship. All matters declared or found in addition during the routine checks will be dealt with in context and discussed with you if it will influence the assessment of the application.

These checks will only be done if your business has been short listed.

### WHAT WILL NEGATIVELY INFLUENCE THE DECISION TO DO BUSINESS WITH YOU?

- Not providing Hollard the necessary permission to undertake these checks.
- Not declaring relevant matters that should be included by Hollard when assessing the application.
- Not providing Hollard with the requested and/or necessary information - full detail, accurate, good faith, transparent, relevant and current at time of submitting the application. All the information that Hollard request in this RFP is material and
- Information provided that does not rightfully belong to the supplier listed on the application.

### INDEMNITY & CONSENT TO DISCLOSURE

The Indemnity and Consent to Disclosure are to be completed giving Hollard the necessary permission to conduct these checks.

### DECLARATIONS

Hollard urges suppliers to declare any matters that is likely to be material and may possibly influence the assessment of the application or the decision whether to do business with you or not.

- CREDIT HISTORY - of any party to the application ever been declared insolvent, placed in liquidation whether provisional or final or reached a compromise with creditors. If yes, give details/explanation.
- CRIMINAL RECORD - of any party to the application, pending or criminal convictions or paid an admission of guilt fine other than speeding or parking offences. If yes, please give details/explanation.

If you are in any doubt as to whether a fact would be considered material you should declare/explain it anyway to enable us to make an informed decision. Where necessary or possible, provide proof to substantiate your explanation/declaration

## CONDITION OF AGREEMENTS

- When a need have been identified and the selected enterprise or sole trade have met all the requirements an agreements is issued;
- Hollard does not enter into agreements with companies unless there was a need;
- Hollard cannot guarantee volumes;
- Hollard does not have exclusivity if there are alternative companies offering the same or better scope of services;
- An agreement will only remain valid for the stated period - not exceeding 24 months;
- No agreement is automatically renewed.
- Partial or total change in ownership must be communicated to Hollard, Group Procurement to acknowledge in writing;
- There is no guarantee that the new owners will be granted an agreement unless the process was followed.
- Depending on the extent of the change, an addendum may suffice indicating the change.
- 100% ownership will automatically render the agreement invalid.
- No agreement is transferable.
- Pricing and increases must be discussed and agreed mutually in writing before it is applicable and as per the conditions set in the agreement.
- Any changes to the agreement must be discussed and mutually agreed in writing.
- Addendums are issued acknowledging the agreed changes.
- Breach of the terms and conditions is seen in a serious light and will be dealt with accordingly.
- Changes in the company that fundamentally alter the services or expectations that Hollard initially entered into.