

**SIAS**  
**PREFERRED**  
**SUPPLIER**  
**CRITERIA**

# SIAS preferred supplier criteria

## 1. Overview

This document aims to stipulate the general considerations and requirements which are considered before new service providers are added to the SIAS list of preferred suppliers. As such it provides prospective service providers with guidelines regarding the criteria that have to be met in order to be considered for inclusion in the list of preferred suppliers.

For the sake of clarity, SIAS is an administration company that, on behalf of Momentum Short-term Insurance and OUTsurance Insurance Company Limited, manages the relationship between the above mentioned insurance companies and its service providers. SIAS is a wholly-owned subsidiary of FirstRand Short-Term Insurance Holdings and part of the FirstRand/RMBH Group. The scope of this document covers all industries, including panel beating, building, plumbing, vehicle towing, etc.

## 2. Application Process

Any prospective service provider is welcome to at any stage forward a company profile to SIAS Procurement ([procurementqueries@sias.co.za](mailto:procurementqueries@sias.co.za)) for consideration. These applications received form the pool from which future service providers are selected and appointed. Before SIAS can consider expanding the list of preferred suppliers, either one of the following two scenarios has to present itself:

### (a) Capacity of service providers inadequate to meet the current demand

The SIAS procurement model encourages service providers to grow their businesses in line with the insurance companies that support them. Consequently, growth in the demand for services is catered for by the capacity of existing service providers increasing at a similar rate.

Should the growth of the insurers' needs outstrip the growth of the service providers' capacity, the need will arise to appoint additional service providers. Conversely, if the needs from the insurers grow slower than the capacity of the service providers, there will be no need for expansion of the panel.

(b) Replacement of a service provider that has been removed from the panel

Service providers are monitored on an on-going basis to ensure that they meet certain criteria. These criteria include the following:

- the quality of service delivery to clients as measured by a client satisfaction index (CSI) obtained from clients;
- the outcomes of ad-hoc audits; and
- the adherence of agreed terms as per the service level agreement (SLA).

This data is shared and discussed with service providers on a regular basis to ensure that every service provider can identify any shortcoming in their operations and rectify this in order to increase the overall level of service delivery.

Should it occur that a service provider fails to rectify highlighted issues, an extensive communication and consultation process is entered into. If, after this process, the service provider fails to record a satisfactory improvement, SIAS is left with no alternative but to end its business relationship with the service provider in question. At this stage the demand for the service that the removed service provider provided, is compared with the capacity of the remaining panel members. Should the demand exceed the capacity, a new member will be added to the panel.

Once either scenario (a) or (b) presents itself, SIAS will add new members to the list of preferred suppliers. Consequently all applications received for the relevant services will be evaluated. SIAS will only invite applications from a particular industry at large if no applications for said services have been received at the time of expanding the list of suppliers. In order to be considered for inclusion in said list of preferred suppliers, prospective service providers should

- a) Be a going concern and have been in operation for a sufficient period of time such that the operation is currently able to run at its full intended capacity.
- b) Be able to, registered to and have approvals (where relevant) to provide the specific services that the insurers have a long-term, sustainable excess demand for.
- c) Be situated and be operational in the specific geographical area that said services are required in.

Should more than one candidate meet all of the above requirements, the BEE ratings of the candidates will be considered and the most suitable candidate be selected. SIAS and the selected candidate have to mutually agree on all business terms and conditions. This includes agreement on all operating systems, processes, procedures and financial terms.

During the period from 1 June 2009 to 31 May 2010, 64 service providers were removed from the list of preferred suppliers whilst 81 new service providers were added to the list. This illustrates that although we aim to have stability and continuity, there is a fair amount of turnover and therefore opportunities for new service providers.

To apply, or to obtain more information, please contact SIAS Procurement on [procurementqueries@sias.co.za](mailto:procurementqueries@sias.co.za) .