

**UNITED NATIONS INDUSTRIAL DEVELOPMENT
ORGANIZATION**

TERMS OF REFERENCE

HEADQUARTERS PROPERTY INSURANCE

Vienna, April 2015

I. Background Information

UNIDO is a specialized agency of the United Nations providing assistance to developing countries and countries in transition in their industrial development. UNIDO designs and implements programmes to support the industrial development efforts of its clients and offers tailor-made specialized support for programme development.

UNIDO Headquarters are located in the Vienna International Centre (VIC), Austria. VIC was built in 1979. VIC accommodates headquarters of several United Nations International Organizations and representation offices. It is the largest office complex in Austria housing in total over 4,500 staff. VIC is surrounded by a protection wall throughout its whole perimeter. Entrance to VIC is controlled by security guards. Within VIC well developed security and safety procedures, including industrial safety, are implemented.

Apart from its industrial development support activities, UNIDO is responsible for management of services and works related to functioning of VIC, including repair, modification and renovation of buildings; repair of roads and foot paths; carpentry works; electrical, electromechanical and electronics engineering works; heating, ventilation and air-conditioning works, catering, office cleaning, etc. Majority of these services are outsourced to the external contractors. UNIDO is also responsible for making insurance arrangements for United Nations Office in Vienna (UNOV), United Nations Office on Drug and Crime Prevention (UNOV/UNODC), UN entities administered by UNOV/UNODC.

II. Current coverage

Current insurance policy has been procured from a reputable international insurance group and covers property and equipment of UNIDO, UNOV, UNODC and UN entities administered by UNOV/UNODC. The policy provides for coverage against loss and damage resulting from fire, lightning, explosion, plane crash, flooding and leaks by tap and central heating system water, terrorist acts. In addition, the policy covers the vehicles parked in the VIC garage against loss and damage resulting from fire. According to the terms of the current policy UNIDO may terminate the current policy at its sole option no later than three months before the end of each calendar year.

III. UNIDO's property insurance record

UNIDO and other UN organizations represented by UNIDO have no record of property insurance claims within the last 10 years.

IV. Scope of required coverage

UNIDO and other UN organizations represented by UNIDO intend to improve the terms of its insurance coverage by requesting competitive offers from the established insurance companies. The scope of the required coverage is provided below.

1. Organizations and property to be insured (hereinafter referred to as "the Insured and "the Insured property" respectively):

1.1 Insured

United Nations Industrial Development Organization (UNIDO)

United Nations Office in Vienna (UNOV)

United Nations Office on Drug and Crime Prevention (UNOV/UNODC)

UN entities administered by UNOV/UNODC.

As of March 2015, UNIDO had 771 staff and persons working for UNIDO at its Headquarters and UNOV/UNODC as well as other UN entities administered by UNOV/UNODC had a total of 1,160.

1.2 Insured property

As of March 2015 the value of Insured property managed by the Insured¹⁾ amounted to:

UNIDO	-	€14,048,000
UNOV	-	€21,324,000
UNOV/UNODC	-	€ 2,569,000
UN entities (administered by UNOV/UNODC)	-	€ 262,952
Total:	-	€38,204,00

1.3 Personnel belongings of UNIDO/UN employees, visitors, guests and participants of the conferences

up to €730 per person for replacement of valuables or cash up to €145 per person

¹⁾ VIC buildings and related equipment belong to the Austrian Government and are not covered by this insurance. The insurance covers only the property which belongs to UNIDO, UNOV/UNODC and UN entities administered by UNOV/UNODC

1.4 Vehicles parked in the VIC garage – estimated value of € 9,100,000
(vehicles of the employees of the Insured as well as of the guest, visitors and participants of the conferences)

2. Principal address:

Vienna International Centre

P.O. Box 300

A – 1400 Vienna

Austria

3. Period of coverage:

Base Term: 01 January 2016 to 31 December 2018 (3 years) both days inclusive; 30 days grace period for renewal

Option Year One: 01 January 2019 to 31 December 2019 (1 year) both days inclusive; 30 days grace period for renewal

Option Year Two: 01 January 2020 to 31 December 2020 (1 year) both days inclusive; 30 days grace period for renewal

4. Risks to be insured:

4.1 Main coverage

UNIDO and UN Property against

- Fire, Lightning, Explosion, Air and spacecraft crash;
- Flooding and leaks by tap and central heating system water;
- Terrorist acts – indicate any limitation of the insurance sum per year;

Insured sum €38,204,000 plus provision for clean-up, replacement costs and increase in value

Parked vehicles in the VIC garage of the employees of the Insured, guests, visitors and participants of the conferences against

- Fire

Insured sum €9,100,000

4.2 Optional coverage

In addition to the Main coverage the proposers should quote for provision of coverage for 1) UNIDO and UN as one insured and 2) UNIDO and UN as separately insured, under each of the following options and sub-options:

Option 1

Wind storm including also hail, snow pressure, falling rocks, stone impact, landslide, insured sum:

1) €38,204,000 (UNIDO & UN as one insured)

2) €24,156,000 (UN as a separate insured)

3) €14,048,000 (UNIDO as a separate insured),

plus provision for clean-up, replacement costs and increase in value

- In addition to the above – floods, mudflows, avalanche, rainfall and melt water – insured sum up to €1,000,000;

Option 2

Theft of personal belongings of UNIDO/UNOV employees guests, visitors and participants of the conferences, insured sums for sub-options :

up to €730 per person for replacement of valuables or cash up to €145 per person

Option 3

- Business interruption resulting from fire, tap water flooding, wind storm, floods, etc., for a period of 6 months from the date of begin of the interruption – insured sum up to €6,000,000

Option 4

- Electronic equipment (computers, other stationary IT equipment and installations, laptops in the VIC) against all risks, including, inter alia, handling errors, unskillfulness, carelessness, sabotage, impact of mechanical force, implosion, fire, water, short-circuits, power supply interruption and fluctuations, burglary, theft, robbery, vandalism, etc., insured sums for sub-options:
 - a) €5,000,000
 - b) €2,500,000

Option 5

- Software – Data and programmes cannot be used or lost resulting from insured occurrence – insured sum up to €300,000

Important Note: the offered insurances premiums shall be included in the table 'Property Insurance Premiums', which is enclosed to these Terms of Reference

4.3 Deductible:

The proposer shall indicate in his offer the amount of deductible(s), if any, to be charged for each claim and each option.

4.4 Exclusions

The proposer in his offer shall provide details of all exclusions related to the requested coverage.

4.5 Discounts and special terms

The proposer is encouraged to offer any discounts and special beneficial terms which he normally grants to the organizations of the United Nations System.

V. Language of insurance policy

Insurance policy and annexes to it shall be issued in English and/or German.

VI. Dispute settlement clause & choice of law

The proposer shall confirm in the offer his acceptance of the following Dispute Settlement Clause which shall become part of the insurance policy:

(a) **Amicable Settlement**

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL (United Nations Commission on International Trade Law) Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

(b) **Arbitration**

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute. It is understood, however, that the provisions of this paragraph shall not constitute nor imply the waiver by UNIDO of its privileges and immunities.

Annex: Table 'Property Insurance Premiums'

PROPERTY INSURANCE PREMIUMS

Item	Limit of coverage	Premium in Euro (€). Please indicate the amount of premium separately for each item, any deductible and special terms when applicable
<p><u>1. UNIDO/UN property located in the Vienna International Centre (VIC)</u></p> <p><u>Personal belongings of UNIDO/UN employees, guests, visitors and participants of the conferences (around 1,700 employees)</u></p> <p>Risks to be covered: Fire, Lightning, Explosion, Air and space craft; Flooding and leaks by tap and central heating system water, Terrorist acts</p>	<p>€38,204,000 (plus 2% provision for clean-up, and 15% replacement costs and increase in value)</p> <p>€730 per person for replacement of valuables or €145 cash, per person</p> <p>Indicate limitations of coverage, if any</p>	<p>Premium for item 1 €----- Deductible, if any €-----</p>
<p><u>2. Parked vehicles in the VIC garage of the employees of the UNIDO/UN, its guests, visitors and participants of the conferences</u></p> <p>Risks to be covered: Fire</p>	<p>€9,100,000</p>	<p>Premium for item 2 €----- Deductible, if any</p>
<p><u>Option 1. Additional coverage against</u></p> <p>Wind storm including also hail, snow pressure, falling rocks, stone impact, landslide; supplementary to the above floods, mudflows, avalanche, rainfall and melt water</p>	<p>€38,204,000 (UNIDO & UN as one insured) €24,156,000 (UN as a separate insured) €14,048,000 (UNIDO as a separate insured) €1,000,000</p>	<p>Premium for Option 1 €----- (UNIDO & UN as one insured) Premium for Option 1 €----- (UN as a separate insured) Premium for Option 1 €----- (UNIDO as a separate insured) Deductible, if any</p>

Item	Limit of coverage	Premium in Euro (€). Please indicate the amount of premium separately for each item, any deductible and special terms when applicable
<p><u>Option 2. Theft of personal belongings of UNIDO/UN employees guests, visitors and participants of the conferences</u></p> <p>Risks to be covered:</p> <p>Theft</p>	<p>€730 per person for replacement of valuables or €145 cash, per person</p>	<p>Premium for Option 2 €-----</p> <p>Deductible, if any</p>
<p><u>Option 3. Business interruption (within 6 months from the date of interruption)</u></p> <p>Risks to be covered:</p> <p>Resulting from fire, tap water flooding, wind storm</p>	<p>€6,000,000</p>	<p>Premium for Option 3 €-----</p> <p>Deductible, if any</p>
<p><u>Option 4. Electronic equipment (computers, other stationary IT equipment and installations, laptops in the VIC)</u></p> <p>Risks to be covered:</p> <p>All risks, including, inter alia, handling errors, unskillfulness, carelessness, sabotage, impact of mechanical force, implosion, fire, water, short-circuits, power supply interruption and fluctuations, burglary, theft, robbery, vandalism, etc.</p>	<p>a) €5,000,000 plus €250,000 additional replacement costs</p> <p>b) €2,500,000 plus €125,000 additional replacement costs</p>	<p>Premium for Option 4 a) €-----</p> <p>Deductible, if any</p> <p>Premium for Option 4 b) €-----</p> <p>Deductible, if any</p>
<p><u>Option 5. Software</u></p> <p>Risks to be covered:</p> <p>Data and programmes cannot be used or lost resulting from insured occurrence (all risks)</p>	<p>€300,000</p>	<p>Premium for Option 5 €-----</p> <p>Deductible, if any</p>