



Office of the State Comptroller
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Government Ministries

**The Project of the
Construction of a
New Building for
the Prime Minister's
Office and Residence**

Abstract

The Project of the Construction of a New Building for the Prime Minister's Office and Residence

Background

"Project Almog" (hereinafter – the Project or Project Almog) is an initiative for the construction of a new building for the Prime Minister's Office and an adjacent official residence for the Prime Minister. The main purpose of the Project is to provide security protection and functional infrastructure to the Prime Minister and to core leadership that will ensure their survivability and the continuity of their activity during routine and emergencies. The Project was planned to be constructed in an area within the bounds of the government complex in Jerusalem. The tender proceedings for planning the Project began in 1995 and its planning procedure began in 2000 but its promotion was later suspended. In February 2009, the government decided to resume advancing the Project. In April 2009, the government decided to freeze it due to budgetary considerations, but clarified that some of its planning actions may proceed. In May 2014, the government decided to resume the Project. In October 2018, the promotion of the project has been stopped and, on the audit completion date, construction in an alternative location is being considered.

Key figures

ILS 650 million

the Project's original estimated cost in 2009. The net area of the Project in 2009: 13,670 m².

ILS 1.2 billion

the Project's updated estimated cost in 2018. The net area of the Project in 2018: 13,976 m². The reason for the price increase in the Project was, inter alia, updates to the protection requirements.




ILS 6.5 million

cost of the architectural planning and of advancing the Project's statutory proceeding since the original presentation of the Project to the government and up to 2019.



ILS 50 million

the estimated cost, on the audit completion date, of temporary protection measures for the Prime Minister's official residence until the Project is completed.




Audit actions

-  From April to August 2019, the Office of the State Comptroller conducted an audit with regard to the Project. The following subjects were examined during the audit: the delay in constructing the Project; the strategic work examining the construction in the vicinity of the Project and the Project management. The audit was conducted in the Prime Minister's Office, in the National Security Council, in the Property, Procurement and Logistics Unit in the Accountant-General's Department in the Ministry of Finance and in the Israel Security Agency.
-  Supplementary examinations were conducted in the Cabinet Secretariat, in the Budget Department in the Ministry of Finance, in the Engineering and Construction Department in the Ministry of Defense and in the Office of the Jerusalem Municipal Engineer. The audit focused on the months between December 2015 and August 2019.
-  The subcommittee of the Knesset State Audit Committee decided not to submit to the Knesset's agenda and not to publish parts of this report for national security reasons, pursuant to section 17 of the State Comptroller Law, 1958 [Consolidated Version]. The withholding of parts of this section does not prevent the understanding of fundamental issues in this audit.

Key findings

-  **Delay in the planning and construction of the Project** – on the audit completion date, about four years after the cabinet decision of December 2015 was made, whereby the construction of the residence would be completed by June 2018 and a outline for constructing the office would be presented “shortly,” the design of the Project has not been completed, its construction has not yet started and the feasibility of its construction is cast in doubt – this, despite the professionals' clear position concerning the need for the rapid advancement of the Project. As a result, main national interests are being jeopardized.
-  **Planning changes in the vicinity of the Project were not examined** – from December 2015 and until the end of 2018, the General Security Service formulated its professional position concerning the Project based on the planning information that was correct to 2007, and failed to take into account planning changes that occurred since then, such as the plan for the entrance to the city and the route of the light rail. The Israel Security Agency received an update regarding all of the changes only at the end of 2018, and it became evident that these changes are causing security problems. As a result, the Project was frozen and its construction in an alternate location is being considered. The delay in examining the updated planning information caused precious time to be wasted in the planning and construction of the Project and the wasting of financial and nonfinancial resources.








-  **Delay in examining the Project's updated protection requirements** – although the project team's strategic work updating the Project's planning requirements (the program) began in January 2016, the Israel Security Agency initiated a re-examination of the protection-related planning requirements only in January 2017, and the Head of the National Security Council at that time instructed the Israel Security Agency to submit its requirements only in July 2017. In August 2017, about a year and a half after the strategic work had commenced, the Israel Security Agency submitted most of its requirements, at a financial volume of ILS 270 million. As a result of this delay, strategic work was performed over about a year and a half that was based on outdated protection requirements, which required the performance of about another eight months of strategic work in order to adapt the updated requirements to the defined budget framework.
-  **The architects haven't received complete and updated information** – the Project managers, the Head of the National Security Council at that time and the director of the Property Unit in the Accountant-General's Department failed to ensure that the architects received all of the latest required information in order to design the Project. Furthermore, planning issues in the program and in the security requirements were left unresolved. All these caused a delay in planning the Project.
-  **Lack of activity of The committee for removing obstacles** – from the time the committee was formed in May 2014 and until August 2019, the committee did not convene even once, and not one document was found that documented its activity – despite the fact that material obstacles arose during the process of managing the Project, as well as major differences between the planned timetables and the actual timetables.



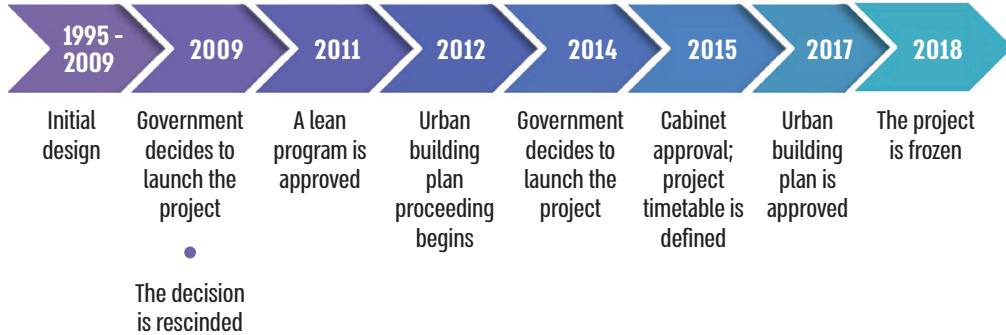
The planning aspect of the Project was advanced – subsequent to the government decision to freeze the Project due to budget considerations in 2009, the Property Unit in the Accountant-General's Department, in collaboration with the Budgets and Projects Unit in the Prime Minister's Office, took action to advance the Project's planning proceedings in order to improve the efficiency of the future management of the Project when the execution budget is approved. The proceedings to approve the urban building plan for the Project began in December 2012 and, in May 2017, the Project program came into effect after it was approved by the District Planning and Building Committee in the Jerusalem District.

Plans for the temporary protection of the current buildings of the Prime Minister's office and residence were prepared – the Security and Emergency Unit in the Prime Minister's Office began advancing the preparation of a plan for the interim protection of the residence in 2019 in order to provide the required solution due to the delay in implementing the Project. The acting Director-General of the Prime Minister's Office approved the plan, but it was only budgeted. At the end of 2019, the acting director-general of the Prime Minister's Office approved another plan for the interim protection of the building of the Prime Minister's Office, but this plan has not yet been budgeted.

Key recommendations

-  **Passing a government resolution regarding the future of the Project** – the acting director-general of the Prime Minister's Office should promptly examine alternative locations for the Project and ensure the submission of the alternatives to the government for decision-making. He should also propose the appointment of one body to be delegated the responsibility for implementing the resolution.
-  **Advancing the interim protection of the existing office and residential buildings** – it is suggested that the acting director-general of the Prime Minister's Office, in collaboration with the Israel Security Agency and other relevant professionals, should ensure that the planned temporary solutions for protecting the office and the residence are implemented as soon as possible.
-  **Regulating the Israel Security Agency's monitoring of the environmental planning aspects of the facilities under its purview** – it is suggested that the Israel Security Agency should create a mechanism that will ensure the organized periodic examination of all planning aspects that are required in relation to the provision of security to the Prime Minister in his existing permanent facilities and in future facilities. It is advisable that this recommendation should also be considered in relation to additional facilities under the purview of the Israel Security Agency.
-  **Coordinating and forwarding of information** – the Property Unit in the Accountant-General's Department should ensure that, when managing unique projects involving complex management, which as this Project, involves many partners and diverse professional disciplines, special attention is paid to the exchange of coordinated, orderly and clear information among all relevant professionals involved.
-  **Removing obstacles** – it is proposed that the acting director-general of the Prime Minister's Office should take action to ensure that an active and effective mechanism is implemented to supervise and control the management of the Project. This mechanism should require compulsory periodic updating regarding the progress of the Project, should ensure conformance to timetables, the resolution of disputes and the removal of obstacles, either within the scope of the activity of the committee tasked with removing obstacles or within some other framework.

Key milestones in Project Almog



Source: Accountant-General's Department, the Prime Minister's Office, government and cabinet resolutions; processed by the Office of the State Comptroller

Summary

This report, which reviews the mode of management of the Project in recent years, has three main purposes. Inter alia, the report presents several deficiencies in the Project management so that they will be used as a basis for drawing conclusions, both for the continuing management of this Project in the coming years and for the implementation of future complex projects. On the audit completion date, the decision-makers are standing at a crossroads in terms of the very construction of the Project, its location and mode of management. This report emphasizes the need for meticulous decision-making that will lay a stable foundation ensuring orderly and efficient action in the near future.

