





Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

Human Resources Administration
1155 Market Street, 4th Floor
San Francisco, CA 94103-0903
Main: (415) 554-6000
Fax1: (415) 554-6025
Fax2: (415) 554-4827

MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection

FROM: Vitus C.W. Leung, Manager, Employee and Labor Relations 
David Coleman, Senior Employee and Labor Relations Analyst 

DATE: February 4, 2014

RE: Recommendations re 125 Crown Terrace Incident

Background

On the night of December 16, 2013, 125 Crown Terrace, a privately owned, single-family dwelling under construction collapsed. According to media sources and later confirmed by Department of Building Inspection (“DBI”) officials, the property is owned by Mel Murphy, a former head of the city’s Building Inspection Commission and a current member of the San Francisco Port Commission.

Initially dubbed as a “remodeling” job by Mr. Murphy’s contractor, this project was subject to numerous appeals over the years, mainly from the adjacent neighbors, regarding the size and scope of its architectural design and other related construction issues. Additionally, since the physical property falls within the city’s Slope Protection Act of the San Francisco Building Code, a Structural Advisory Committee (“SAC”) had to be created to publicly discuss the technical aspects of the proposed project.

Comprised of a five-member board, the SAC, *inter alia*, is responsible for identifying and resolving any and all issues relating to potential slope instability, defining potential risks of development due to geotechnical and geological factors, and making recommendations to the proposed design and construction to mitigate these technical issues.¹ The SAC eventually gave its final approval and a project permit was later issued by DBI to proceed with construction.

DBI’s initial assessment of the structural collapse points to the developer’s failure to follow and implement the approved plans/drawings and the special inspections as mandated by the DBI permit. However, DBI wished to investigate any potential internal problems related to the project in order to complete its investigation into the collapse. To avoid any real or perceived conflict of interest due to Mr. Murphy’s past leadership role in the DBI Commission, DBI Director Tom Hui asked the human resources staff of the General Services Agency (“GSA”) to conduct an independent, third-

¹ A fuller discussion of the composition and purpose of the SAC can be found in Section 106A.4.1.4 of the San Francisco Building Code.

party investigation to evaluate the scope of potential employee misconduct in the permitting, plan checking and inspection phases of the project and to recommend a corrective action plan moving forward.

GSA Investigation

The GSA Investigation team included GSA Employee & Labor Relations Manager Vitus C.W. Leung and Senior Employee & Labor Relations Representative David Coleman.

First, the team initially received and reviewed a number of relevant documents, which included the project permit and inspection records as well as some of the architectural and structural drawings for the project. After discussing the issues with Director Hui, the team determined that an employee investigation was warranted.

Second, the team advised the Director to issue investigation notices to several employees in the Plan Checking and Inspection Services Divisions who were involved with the project before and after the structure collapsed. Notices were subsequently issued to those employees and all of the interviews occurred during the week of January 13, 2014.

The team's primary investigative issues were:

- 1) Whether any DBI and/or City and County of San Francisco protocols or policies were violated by City personnel in the permitting process, plan checking and inspection of the project? If so, what would be the appropriate remedy?
- 2) Whether mistakes were made by City personnel? If so, who should be held accountable and what would be the appropriate remedy?
- 3) Whether process improvements could be made to avoid future mishaps or appearances of impropriety or favoritism?

Conclusion/Recommendations:

Based on our investigation, we recommend that the following actions be considered by the Department of Building Inspection Commission and its Director.

On the Plan Checking Side:

- 1) The Department should create a list of recommendations to reduce the delay in scanning/in-take or any other steps that would help the plan-checking process;
- 2) The Department should create a protocol for checking whether all needed documentation, including drawings, are routed to the responsible plan checker for cost estimation;
- 3) The Department should consider directing the SAC secretary to follow through with the assigned plan checker on determining and verifying the final construction cost based on additional Addendum drawings;
- 4) The Department should consider establishing a clear and concise policy or a set of guidelines governing the bargaining of a project's construction costs with the project sponsor (or designee). Once a policy is established, plan checking staff and other appropriate department personnel should be trained on the new policy;
- 5) The Department should implement quality assurance/control to ensure that construction cost reductions are equitable and administered in accordance with the established policy or guidelines; and
- 6) DBI and/or City and County policies were violated by some DBI personnel. As a result, the Department should take appropriate action.

On the Building Inspection Side:

- 1) The Department should draft an attendance and punctuality policy or consult with the City's Leave Management Coordinator to reduce the number of inspector absences on a regular basis;
- 2) The Department should update its "Building Inspection Operations Manual" to include inspector training and roles/responsibility while on jobsites. Once it is updated, all staff in the Building Inspection Division should be trained;
- 3) The Department should introduce an "inspector assignment wheel system" (similar to an overtime wheel system) for last minute assignments on any given day to avoid the appearance of impropriety or favoritism;
- 4) The Department should establish a special inspection protocol to ensure special inspections are done in a timely manner and in accordance with the sequence of construction;
- 5) The Department should require a copy of completed special inspection reports to be on the jobsite at all times;

- 6) The Department should also consider making more frequent visits (in addition to the required inspections) to the jobsites where special inspections are required; and
- 7) DBI and/or City and County policies were violated by some DBI personnel. As a result, the Department should take appropriate action.

If questions arise feel free to contact either of us at the General Services Agency.