

FIRST DIVISION

[G.R. No. 160025, April 23, 2014]

**SANGGUNIANG PANLUNGSOD NG BAGUIO CITY, PETITIONER,
VS. JADEWELL PARKING SYSTEMS CORPORATION,
RESPONDENT.**

[G.R. NO. 163052]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER, VS.
MAYOR BERNARDO M. VERGARA, CITY MAYOR OF BAGUIO, VICE
MAYOR BETTY LOURDES F. TABANDA, VICE MAYOR OF BAGUIO,
COUNCILOR BRAULIO D. YARANON, COUNCILOR ELMER O.
DATUIN, COUNCILOR ANTONIO R. TABORA, JR., COUNCILOR
GALO D. WEYGAN, COUNCILOR EDILBERTO B. TENEFRANCIA,
COUNCILOR FEDERICO J. MANDAPAT, JR., COUNCILOR RICHARD
A. CARINO, COUNCILOR FAUSTINO A. OLOWAN, COUNCILOR
DELFIN V. BALAJADIA, COUNCILOR RUFINO M. PANAGAN, CITY
SECRETARY RONALDO B. PEREZ, SANGGUNIANG PANLUNGSOD
NG BAGUIO, RESPONDENTS.**

[G. R. NO. 164107]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER. VS.
CITY MAYOR BRAULIO D. YARANON, RESPONDENT.**

[G.R. NO. 165564]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER, VS.
CITY MAYOR BRAULIO D. YARANON, RESPONDENT.**

[G. R. NO. 172215]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER, VS.
JUDGE FERNANDO VIL PAMINTUAN, PRESIDING JUDGE OF
BRANCH 3 OF THE REGIONAL TRIAL COURT OF BAGUIO CITY,
BENEDICTO BALAJADIA, PATERNO AQUINO, RICHARD
LABERINTO, ROLANDO ABELLERA, FERNANDO SANGALANG,
ALLAN ATOS, ANGELINO SANGALANG, CITY OF BAGUIO, AND
CITY MAYOR BRAULIO D. YARANON, RESPONDENTS.**

[G.R. NO. 172216]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER. VS.
JUDGE FERNANDO VIL PAMINTUAN, PRESIDING JUDGE, BRANCH
03 REGIONAL TRIAL COURT OF BAGUIO CITY, RESPONDENT.**

[G.R. NO. 173043]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER, VS.
CITY MAYOR BRAULIO D. YARANON, RESPONDENT.**

[G. R. NO. 174879]

**JADEWELL PARKING SYSTEMS CORPORATION, PETITIONER, VS.
ACTING CITY MAYOR AND FORMERLY VICE MAYOR AND
PRESIDING OFFICER OF THE SANGGUNIAN PANLUNGSOD NG
BAGUIO, REINALDO A. BAUTISTA, JR., MEMBERS OF THE
SANGGUNIAN PANLUNGSOD NG BAGUIO, LEONARDO B.
YANGOT, JR., ROCKY THOMAS A. BALISONG, EDILBERTO B.
TENEFRANCIA, FAUSTINO A. OLOWAN, GALO P. WEYGAN,
FEDERICO J. MANDAPAT, PERLITA L. CHAN-RONDEZ, ANTONIO
R. TABORA, JOSE M. MOLINTAS AND RUFINO M. PANAGAN AND
CITY LEGAL OFFICER MELCHOR CARLOS R. RABANES,
RESPONDENTS.**

[G.R. NO. 181488]

**CITY MAYOR BRAULIO D. YARANON, PETITIONER, VS.
JADEWELL PARKING SYSTEMS CORPORATION, HON. EXECUTIVE
SECRETARY EDUARDO R. ERMITA, ACTING BY AUTHORITY OF
THE PRESIDENT, AND HON. RONALDO V. PUNO, IN HIS
CAPACITY AS SECRETARY OF THE DEPARTMENT OF INTERIOR
AND LOCAL GOVERNMENT, RESPONDENTS.**

D E C I S I O N

Before this Court are nine (9) Petitions involving essentially the same parties - officials of the City Government of Baguio and Jadewell Parking Systems Corporation (Jadewell). The only party here that is neither an official of the City Government of Baguio nor an officer of Jadewell is former Judge Fernando Vil Pamintuan.

The two principal parties executed a Memorandum of Agreement (MOA) on 26 June 2000, whereby the City of Baguio authorized Jadewell to regulate and collect parking fees for on-street parking in the city, as well as to implement the installation of modern parking meters.

The legal disputes embodied in the nine Petitions began when the Sanggunian Panlungsod of Baguio City (Sanggunian) revoked the MOA through **City Resolution No. 037, Series of 2002** (Resolution 37), alleging substantial breach of the MOA on the part of Jadewell. Then Mayor Alfredo Vergara vetoed the Resolution. The Sanggunian Panlungsod overrode the veto through an unnumbered **Resolution dated 17 April 2002**. These twin Resolutions constitute what we call here as **the first act of rescission^[1] of the MOA by the city officials of Baguio**. Jadewell denied the breach and commenced an action before the Regional Trial Court (RTC) of Baguio,^[2] questioning the validity of the MOA's revocation and the Sanggunian's capacity to pass a resolution revoking the MOA.

There was a second act of rescission that the city officials of Baguio

performed in 2006, the circumstances of which will be narrated later on.

While the main case was under litigation, and then under appeal, the parties filed contempt charges against each other. Six of these cases are part of the consolidated Petitions before us.

These nine highly-voluminous cases, however, all boil down essentially to just these five sets of legal questions requiring resolution:

(a) The validity or invalidity and legal efficacy of Saggunian's two distinct acts of rescission of the MOA;

(b) The duty of a trial judge to dismiss a case assailing the validity of the MOA and the city resolution approving it in view of the pendency of the various petitions before this Court;

(c) the liability of : (i) respondent city officials of Baguio, for various counts of indirect contempt of this court, (ii) some respondents, who are lawyers at the same time, for acts that require the disciplinary action of disbarment, (iii) respondent Judge Pamintuan, for taking cognizance of a civil case allegedly in defiance of this Court's authority;

(d) the validity of the administrative suspension of one of the respondents herein, former Mayor Braulio Yaranon, by the Office of the President in relation to his acts of non-recognition of the MOA; and

(e) the nullification of certain acts of officials of Baguio City directed against Jadewell pursuant to their belief that the latter had no authority to continue implementing the terms of the MOA.

THE ANTECEDENT FACTS

On 1 March 1999, Jadewell proposed the privatization^[3] of the administration of on-street parking in Baguio City using Schlumberger's DG4S Pay and Display Parking Meter (hereinafter "DG4S P&D"), which it touted as "technologically advanced, up to the level of more progressive countries and which would make the city as the first and only city in the Philippines, if not in Asia, to have metered parking as an important part of its traffic and parking system."^[4]

Respondent Sanggunian acted favorably on the proposal.^[5] On 31 May 2000, it passed **Resolution No. 159, Series of 1999**, authorizing the City Mayor of Baguio to negotiate and enter into a Memorandum of Agreement with Jadewell for the installation of its proposed DG4S parking technology.^[6]

On 16 July 1999, the City Mayor of Baguio wrote to Jadewell, transmitting to it the **finalized draft** of the MOA, with amendments emanating from his office. The City Mayor informed Jadewell that the **finalization of the MOA would be subject to the appropriate action of the Sanggunian** and the passage of an enabling ordinance.^[7]

On 27 March 2000, respondent Sanggunian enacted **City Ordinance No. 003, Series of 2000** (Ordinance No. 003-2000) amending **Ordinance No. 13, Series of 1983**, outlining the rules and policy on the privatization of the administration of on-street parking in the city streets of Baguio.^[8] For this purpose, the City of Baguio authorized the intervention of a private operator for the regulation, charging and collection of parking fees and the installation of modern parking meters, among others.

On 10 April 2000, the City Legal Officer of Baguio City advised the City Mayor that the project for the regulation of on-street parking and installation of parking meters was not an infrastructure. Hence, the project was not covered by the Build-Operate-Transfer Law^[9] and did not require publication of a notice for its validity.^[10]

Nevertheless, for the sake of transparency, the City Legal Officer recommended the publication of the appropriate notice on the project and an invitation to bid. An invitation to bid for the proposed regulation of on-street parking and installation of parking meters on Baguio City's streets was published in the *Philippine Daily Inquirer* on 8, 9 and 10 May 2000. Four interested bidders submitted their proposals, but three were disqualified. The bid of Jadewell was the only one not disqualified; hence, it was awarded the project.^[11]

On 26 June 2000, the MOA was finally executed between Jadewell and the City of Baguio – through its then City Mayor, Mauricio G. Domogan – for the installation, management and operation of the DG4S P&D parking meters.^[12]

On 17 July 2000, the Sanggunian confirmed the MOA through its **Resolution No. 205-2000**.^[13]

On 31 August 2000, the parties executed a supplemental MOA to include the Ganza/Burnham parking space, owned by the Philippine Tourism Authority and managed by the City of Baguio, in the project.^[14] **This supplemental agreement was neither confirmed nor ratified by the Sanggunian.**

In September of 2000, Jadewell began to mobilize and take over the parking facilities at the Ganza/Burnham Park area.^[15] Around this time, questions arose regarding the compliance by Jadewell with the provisions of the MOA, notably on matters such as obtaining the recommendation from the Department of Public Works and Highways (DPWH) for the installation of the parking meters and the legality of the collection of parking fees being done by its parking attendants prior to the installation of the parking meters at Burnham Park.^[16]

On 20 December 2000, Jadewell wrote then Vice-Mayor Daniel T. Fariñas to inform him of the progress of the deputization by the Department of Transportation and Communications–Land Transportation Office (DOTC-LTO) of parking attendants required for the implementation of the MOA. Jadewell explained that they were still working on the required deputization of Jadewell's parking attendants. Nevertheless, it claimed that its parking attendants were authorized to collect parking fees pending the actual installation of the parking meters. It also claimed that the parking meters had not yet been installed because the necessary civil works were

yet to be completed.^[17]

Shortly thereafter, a case was filed by Edgar M. Avila, *et al.* with the RTC-Baguio City (Branch 61), assailing Ordinance No. 003-2000 as unconstitutional and seeking to restrain the City Government of Baguio from implementing the provisions of the MOA. It further alleged that the City Government could not delegate the designation of pay parking zones to Jadewell, that the parking attendants deployed by Jadewell were not deputized, and that the questioned ordinance creates class legislation as the designated taxi and jeepney stands were discriminatorily removed. The case was docketed as Civil Case No. 4892-R.^[18] This was dismissed on motion by Jadewell joined by the City Government of Baguio. The lower court declared that Ordinance No. 003-2000 is constitutional and that all acts emanating from it are deemed "reasonable and non-discriminatory...having been enacted in accordance with the powers granted to Baguio City by law."^[19] Complainants' Motion for Reconsideration (MR) was denied.

On 24 August 2001, Edgar Avila, *et al.*, filed a Rule 65 Petition for Certiorari, Prohibition and Mandamus with the Supreme Court assailing the RTC's dismissal of their Complaint. The case was docketed as G.R. No. 149642. On 10 October 2001, this Court issued a Resolution dismissing the petition of Avila, *et al.* for failure to state in their petition the material dates when they received the appealed resolution and order, and to append the original or certified true copies of the questioned resolution and order subject of their petition.^[20] There was no resolution on the merits. The Resolution became final and executory on 2 April 2002.^[21]

A case was also filed by Nelia G. Cid against then Mayor Bernardo Vergara, *et al.* when her vehicle was clamped, towed away, and impounded by Jadewell after the latter found her car to be illegally parked. She refused to pay the corresponding fees to Jadewell and as a result, the latter refused to release her vehicle.^[22] Cid filed a case for replevin and questioned the validity of Ordinance No. 003-2000 and the MOA, as well as the authority of Jadewell to clamp down/tow away vehicles whose owners refuse to pay parking fees. The case was docketed as Civil Case No. 5165-R and was assigned to Branch 7 of RTC-Baguio. On 24 May 2002, an Omnibus Order was issued by this RTC that addressed several pending incidents related to the authority of Jadewell to clamp down/tow away vehicles. The Omnibus Order upheld Jadewell's authority to retain the vehicle of petitioner Nelia G. Cid pending her payment of the parking and towage fees to Jadewell, and held that the authority of Jadewell was lawfully provided in Ordinance No. 003-2000 and the MOA. Also, the RTC-Baguio took cognizance of the ruling by this Court in G.R. No. 149642 which, in its mistaken view, upheld the validity of the questioned ordinance and the MOA.^[23]

Ultimately, Jadewell was able to install no more than 14 parking meters in three (3) areas of Baguio City: six (6) on Session Road, five (5) on Harrison Road and three (3) on Lake Drive.^[24] At the time that these meters were installed, there were already verbal complaints being raised against Jadewell by the Sanggunian for the following alleged violations:

- a. Failure to install parking meters for each parking space as specified in Section 3-F of Ordinance No. 003-2000;^[25]