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THIRD DIVISION

[G.R. NOS. 147925-26, June 08, 2009]

ELPIDIO S. UY, DOING BUSINESS UNDER THE NAME AND STYLE EDISON DEVELOPMENT & CONSTRUCTION, PETITIONER, VS. PUBLIC ESTATES AUTHORITY AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

D E C I S I O N

NACHURA, J.:

Petitioner Elpidio S. Uy (Uy) appeals by *certiorari* the Joint Decision[1] dated September 25, 2000 and the Joint Resolution[2] dated April 25, 2001 of the Court of Appeals (CA) in the consolidated cases CA-G.R. SP Nos. 59308 and 59849.

Respondent Public Estates Authority (PEA) was designated as project manager by the Bases Conversion Development Authority (BCDA), primarily tasked to develop its 105-hectare demilitarized lot in Fort Bonifacio, Taguig City into a first-class memorial park to be known as Heritage Park. PEA then engaged the services of Makati Development Corporation (MDC) to undertake the horizontal works on the project; and Uy, doing business under the name and style Edison Development and Construction (EDC), to do the landscaping.

For a contract price of Three Hundred Fifty-Five Million Eighty Thousand One Hundred Forty-One and 15/100 Pesos (P355,080,141.15), PEA and EDC signed the Landscaping and Construction Agreement[3] on November 20, 1996. EDC undertook to complete the landscaping works in four hundred fifty (450) days commencing on the date of receipt of the notice to proceed.

EDC received the notice to proceed on December 3, 1996;[4] and three (3) days after, or on December 6, 1996,[5] it commenced the mobilization of the equipment and manpower needed for the project. PEA, however, could not deliver any work area to EDC because the horizontal works of MDC were still ongoing. EDC commenced the landscaping works only on January 7, 1997 when PEA finally made an initial delivery of a work area.

PEA continuously incurred delay in the turnover of work areas. Resultantly, the contract period of 450 days was extended to 693 days. PEA also failed to turn over the entire 105-hectare work area due to the presence of squatters. Thus, on March 15, 1999, the PEA Project Management Office (PEA-PMO) issued Change Order No. 2-LC,[6] excluding from the contract the 45-square-meter portion of the park occupied by squatters.

In view of the delay in the delivery of work area, EDC claimed additional cost from the PEA-PMO amounting to P181,338,056.30. Specifically, Uy alleged that he

incurred additional rental costs for the equipment, which were kept on standby, and labor costs for the idle manpower. He added that the delay by PEA caused the topsoil at the original supplier to be depleted; thus, he was compelled to obtain the topsoil from a farther source, thereby incurring extra costs. He also claims that he had to mobilize water trucks for the plants and trees which had already been delivered to the site. Furthermore, it became necessary to construct a nursery shade to protect and preserve the young plants and trees prior to actual transplanting to the landscaped area. The PEA-PMO evaluated the EDC's claim and arrived at a lesser amount of P146,484,910.[7] The evaluation of PEA-PMO was then referred to the Heritage Park Executive Committee (ExCom) for approval.

On November 12, 1999, the Performance Audit Committee (PAC) reviewed the progress report submitted by the works engineer and noted that the EDC's landscaping works were behind schedule by twenty percent (20%). The PAC considered this delay unreasonable and intolerable, and immediately recommended to BCDA the termination of the landscaping contract.[8] The BCDA adopted PAC's recommendation and demanded from PEA the termination of the contract with EDC. In compliance, PEA terminated the agreement on November 29, 1999.

PEA fully paid all the progress billings up to August 26, 1999, but it did not heed EDC's additional claims. Consequently, Uy filed a Complaint[9] with the Construction Industry Arbitration Commission (CIAC), docketed as CIAC Case No. 02-2000.

On May 16, 2000, the CIAC rendered a Decision,[10] the dispositive portion of which reads:

> **WHEREFORE**, Judgment is hereby rendered in favor of the [Petitioner] Contractor **ELPIDIO S. UY** and **Award** is hereby made on its monetary claims as follows:
>
> Respondent **PUBLIC ESTATES AUTHORITY** is directed to pay the [petitioner] the following amounts:
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> **P 19,604,132.06** --- for the cost of idle time of equipment.
> **2,275,721.00** --- for the cost of idled manpower.
> **6,050,165.05** --- for the construction of the nursery shade net area.
> **605,016.50** --- for attorney's fees.
>
> Interest on the amount of **P6,050,165.05** as cost for the construction of the nursery shade net area shall be paid at the rate of 6% per annum from the date the Complaint was filed on 12 January 2000. Interest on the total amount of **P21,879,853.06** for the cost of idled manpower and equipment shall be paid at the same rate of 6% per annum from the date this Decision is promulgated. After finality of this Decision, interest at the rate of **12%** per annum shall be paid on the total of these 3 awards amounting to **P27,930,018.11** until full payment of the awarded amount shall have been made, *"this interim period being deemed to be at that time already a forbearance of credit" (Eastern Shipping Lines, Inc. v. Court of Appeals, et al.,* 243 SCRA 78 [1994]; *Keng Hua Paper Products Co., Inc. v. Court of Appeals,* 286 SCRA 257 [1998]; *Crismina Garments, Inc. v. Court of Appeals,* G.R. No. 128721, March 9, 1999).

SO ORDERED.[11]

Uy received the CIAC decision on June 7, 2000. On June 16, 2000, Uy filed a motion for correction of computation,[12] followed by an amended motion for correction of computation,[13] on July 21, 2000. The CIAC, however, failed to resolve Uy's motion and amended motion within the 30-day period as provided in its rules, and Uy considered it as denial of the motion.

Hence, on July 24, 2000, Uy filed a petition for review[14] with the CA, docketed as CA-G.R. SP No. 59849. Uy's petition was consolidated with CA-G.R. SP No. 59308, the earlier petition filed by PEA, assailing the same CIAC decision.

On August 1, 2000, the CIAC issued an Order[15] denying Uy's motion for correction of computation.

On September 25, 2000, the CA rendered the now assailed Joint Decision dismissing both petitions on both technical and substantive grounds. PEA's petition was dismissed because the verification thereof was defective. Uy's petition, on the other hand, was dismissed upon a finding that it was belatedly filed. Further, the CA found no sufficient basis to warrant the reversal of the CIAC ruling, which it held is based on clear provisions of the contract, the evidence on record and relevant law and jurisprudence.

The CA disposed thus:

> WHEREFORE, premises considered, the petitions in CA-G.R. SP No. 59308, entitled "***Public Estates Authority v. Elpidio S. Uy, doing business under the name and style of Edison [D]evelopment & Construction,***" and CA-G.R. SP No. 59849, "***Elpidio S. Uy, doing business under the name and style of Edison [D]evelopment & Construction v. Public Estates Authority,***" are both hereby DENIED DUE COURSE and accordingly DISMISSED, for lack of merit.
>
> Consequently, the Award/Decision issued by the Construction Industry Arbitration Commission on May 16, 2000 in CIAC Case No. 02-2000, entitled "***Elpidio S. Uy, doing business under the name and style of Edison [D]evelopment & Construction v. Public Estates Authority,***" is hereby AFFIRMED in toto.
>
> No pronouncement as to costs.
>
> SO ORDERED.[16]

PEA and Uy filed motions for reconsideration. Subsequently, PEA filed with the CA an Urgent Motion for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction,[17] seeking to enjoin the CIAC from proceeding with CIAC Case No. 03-2001, which Uy had subsequently filed. PEA alleged that the case involved claims arising from the same Landscaping and Construction Agreement, subject of the cases pending with the CA.

On April 25, 2001, the CA issued the assailed Joint Resolution, thus:

> WHEREFORE, the present Motion/s for Reconsideration in CA-G.R. SP No. 59308 and CA-G.R. SP No. 59849 are hereby both DENIED, for lack of merit.
>
> Accordingly, let an injunction issue permanently enjoining the Construction Industry Arbitration Commission from proceeding with CIAC CASE NO. 03-2001, entitled ***ELPIDIO S. UY, doing business under the name and style of EDISON DEVELOPMENT &***
>
> ***CONSTRUCTION v. PUBLIC ESTATES AUTHORITY and/or HONORABLE CARLOS P. DOBLE.***
>
> SO ORDERED.[18]

PEA and Uy then came to us with their respective petitions for review assailing the CA ruling. PEA's petition was docketed as G.R. Nos. 147933-34, while that of Uy was docketed as G.R. Nos. 147925-26. The petitions, however, were not consolidated.

On December 12, 2001, this Court resolved G.R. Nos. 147933-34 in this wise:

> WHEREFORE, in view of the foregoing, the petition for review is DENIED. The Motion to Consolidate this petition with G.R. No. 147925-26 is also DENIED.
>
> SO ORDERED.[19]

Thus, what remains for us to resolve is Uy's petition, raising the following issues:

> I
>
> WHETHER OR NOT RESPONDENT COURT OF APPEALS HAS DEPARTED FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS IN DISMISSING PETITIONER UY'S PETITION IN CA-G.R. SP NO. 59849 ON THE ALLEGED GROUND OF NON-COMPLIANCE WITH THE REGLEMENTARY PERIOD IN FILING AN APPEAL
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> II
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> WHETHER OR NOT THE RESPONDENT COURT OF APPEALS, IN AFFIRMING THE DECISION OF THE CIAC ARBITRAL TRIBUNAL INSOFAR AS IT DENIED CERTAIN CLAIMS OF PETITIONER UY, HAS DECIDED A QUESTION OF SUBSTANCE NOT IN ACCORDANCE WITH LAW AND THE APPLICABLE DECISIONS OF THE HONORABLE COURT
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> III
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> WHETHER OR NOT THE RESPONDENT COURT OF APPEALS ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION OR WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT ENJOINED THE PROCEEDINGS IN CIAC CASE NO. 03-2001 IN

ITS JOINT RESOLUTION DATED 25 APRIL 2000, WHICH CASE IS TOTALLY DIFFERENT FROM THE CASE A *QUO*[20]

We will deal first with the procedural issue.

Appeals from judgment of the CIAC shall be taken to the CA by filing a petition for review within fifteen (15) days from the receipt of the notice of award, judgment, final order or resolution, or from the date of its last publication if publication is required by law for its effectivity, or of the denial of petitioner's motion for new trial or reconsideration duly filed in accordance with the governing law of the court or agency *a quo*.[21]

Admittedly, Uy received the CIAC decision on June 7, 2000; that instead of filing a verified petition for review with the CA, Uy filed a motion for correction of computation on June 16, 2000, pursuant to Section 9, Article XV of the Rules of Procedure Governing Construction Arbitration:

> Section 9. Motion for Reconsideration. - As a matter of policy, no motion for reconsideration shall be allowed. Any of the parties may, however, file a motion for correction within fifteen (15) days from receipt of the award upon any of the following grounds:
>
> a. An evident miscalculation of figures, a typographical or arithmetical error;
> b. An evident mistake in the description of any party, person, date, amount, thing or property referred to in the award.
>
> The filing of the motion for correction shall interrupt the running of the period for appeal.

With the filing of the motion for correction, the running of the period to appeal was effectively interrupted.

CIAC was supposed to resolve the motion for correction of computation within 30 days from the time the comment or opposition thereto was submitted. In Uy's case, no resolution was issued despite the lapse of the 30-day period, and Uy considered it as a denial of his motion. Accordingly, he elevated his case to the CA on July 24, 2000. But not long thereafter, or on August 1, 2000, the CIAC issued an Order[22] denying the motion for correction of computation.

Obviously, when Uy filed his petition for review with the CA, the period to appeal had not yet lapsed; it was interrupted by the pendency of his motion for computation. There is no basis, therefore, to conclude that the petition was belatedly filed.

The foregoing notwithstanding, inasmuch as the CA resolved the petition on the merits, we now confront the substantive issue - the propriety of the CA's affirmance of the CIAC decision.

Uy cries foul on the award granted by CIAC, and affirmed by the CA. He posits that PEA already admitted its liability, pegged at P146,484,910.10, in its memorandum dated January 6, 2000. Thus, he faults the CA for awarding a lesser amount.