

**\*\*Title:\*\*** \*Province of Aklan vs. Jody King Construction and Development Corp.\*: A Jurisdictional Traverse and the Doctrine of Primary Jurisdiction

**\*\*Facts:\*\***

The legal intricacies began when the Province of Aklan (Petitioner) and Jody King Construction and Development Corp. (Respondent) entered into a contract on January 12, 1998. This contract was for the design and construction of the Caticlan Jetty Port and Terminal (Phase I) in Malay, Aklan, with a project cost of P38,900,000. Variations and additional works were ordered during the project's execution, upon which agreements were made. Subsequently, a new contract for Phase II construction was negotiated on January 5, 2001.

However, disputes arose leading to a demand by the Respondent on October 22, 2001, for payment of P22,419,112.96, citing unpaid accomplishments on additional works and other costs. The Petitioner contested, leading to a legal challenge in the RTC of Marikina City on July 13, 2006, which resulted in a favorable decision for the Respondent on August 14, 2009.

The procedural journey saw an appeal denial due to perceived delay in filing. The trial court's issuance of a writ of execution led to garnishment orders against Petitioner's bank accounts. Challenging the RTC's actions, petitions for certiorari were filed by the Petitioner in the Court of Appeals (CA), resulting in dismissals. Ultimately, the petitions escalated to the Supreme Court, spotlighting issues over jurisdiction and the issuance of writs of execution.

**\*\*Issues:\*\***

1. The primary jurisdiction doctrine's applicability in the context of a legal suit involving money claims against a government entity.
2. The propriety of the RTC's issuance of a writ of execution against a local government unit without referring the matter to the Commission on Audit (COA) as necessitated by jurisdictional prerequisites.

**\*\*Court's Decision:\*\***

The Supreme Court found the petitions meritorious, emphasizing COA's primary jurisdiction over money claims against government agencies, including local government units. It was established that the RTC, therefore, should have directed the matter to the COA instead of

proceeding with judicial action. The Supreme Court reversed and set aside the decisions of the CA and nullified the RTC's decision and subsequent writ of execution, underscoring the void nature of judicial actions taken without proper jurisdiction.

**\*\*Doctrine:\*\***

The case reinforced the doctrine of primary jurisdiction, which mandates that cases necessitating the expertise of administrative bodies—like the COA, in claims involving government funds or properties—must first seek administrative resolution before proceeding to court. This also highlighted that judicial proceedings initiated or continued in violation of this doctrine are null and void, along with any consequent decisions or executions.

**\*\*Class Notes:\*\***

- **\*\*Doctrine of Primary Jurisdiction:\*\*** It applies where a claim requires the resolution of issues placed within the special competence of an administrative body. Lawsuits initially filed in courts must be referred to the pertinent administrative body if it involves issues within the latter's special competence.
- **\*\*Jurisdiction Over Money Claims Against Government:\*\*** COA has primary jurisdiction over money claims due from or owing to any government agency, underscoring the necessity for such disputes to be administratively lodged with COA first.
- **\*\*Void Judicial Acts:\*\*** Decisions and writs of execution issued by courts without proper jurisdiction are void ab initio. This underscores the importance of ensuring jurisdictional compliance before proceeding with legal actions.

**\*\*Historical Background:\*\***

This case illustrates the complex interplay between local government units, contractors, and the judicial system within the context of public infrastructure projects in the Philippines. It underscores the importance of administrative bodies like the COA in overseeing financial disputes involving government entities and reinforces the judiciary's role in respecting and implementing jurisdictional boundaries, a foundational principle in Philippine administrative law and governance.