

National Power Corporation, et al. vs. Court of Appeals, et al.

Facts

In August 1990, Oscar R. Verdeflor of Nymex Industrial Corporation filed a sworn statement alleging bidding anomalies for the Fiberglass Reinforced Plastic (FRP) Ejector Headers for Tiwi Geothermal Power Plant Units 1 and 4. Atty. Romy L. Fuentes and Ramon Arel were identified as involved in these anomalies. Consequently, the National Power Corporation's (NPC) Internal Audit Department investigated and recommended formal administrative charges against Fuentes, Arel, Lee Licup, and other members of the Bidding Committee.

On August 8, 1991, NPC formally charged and suspended Fuentes, Arel, and Licup. Subsequent to several motions for extensions by the charged parties, NPC proceeded as if they defaulted due to failure to timely file their answers. The respondents filed a petition with the Civil Service Commission (CSC), which was dismissed for lack of merit.

Following the BID's formal investigation, Fuentes was dismissed for grave misconduct, while Arel and Licup faced forced resignation for gross neglect of duty. The respondents then filed a petition for Certiorari, Prohibition, and Mandamus in RTC Quezon City (Branch 101), seeking to annul the administrative proceedings and requested reinstatement and compensation for back wages and damages.

Despite NPC implementing the BID's recommendation, RTC issued a preliminary injunction against NPC's action, claiming denial of due process. After appeals and interventions, including a dismissed complaint to the Ombudsman and another petition to the Court of Appeals, RTC ruled in favor of the respondents, declaring a permanent injunction against NPC's administrative actions and ordering reinstatement, compensation, and damages for the respondents.

NPC's subsequent appeal to the Court of Appeals was dismissed due to procedural lapses concerning the timely filing of memorandums. NPC's urgent motion for extension and appeal for reconsideration were both denied.

Issues

1. Whether the Court of Appeals erred in dismissing NPC's appeal for failure to file their memorandum within the prescribed period according to Section 10, Rule 44 of the 1997 Rules of Civil Procedure.

Court's Decision

****On the Issue of Procedural Failure:****

The Supreme Court examined whether the delay in filing the memorandum justified the dismissal. Recognizing the heavy workload of the Office of the Solicitor General (OSG), the Court referenced a precedent permitting an extension beyond the non-extendible 30-day period.

****On Administrative Processes:****

The Court emphasized the importance of exhausting administrative remedies, criticizing the RTC Quezon City for overstepping its role by issuing decisions that should fall under the jurisdiction of administrative bodies. The Court highlighted that the trial court should respect administrative processes unless there is a clear denial of due process or abuse of power.

Doctrine

The significant doctrines reiterated in this ruling include:

1. ****Principle of Exhaustion of Administrative Remedies:**** Courts should defer to administrative agencies' jurisdiction until all administrative avenues have been pursued.
2. ****Discretion in Procedural Timeliness:**** Courts have the discretion to permit extensions for filings, especially considering the workload of the OSG.

Class Notes

- ****Exhaustion of Administrative Remedies (Administrative Law):****
 - Articulated in the Administrative Code of 1987, agencies have procedural primacy.
 - Courts only intervene post exhaustion or in cases of evident injustices.
- ****Procedural Rules (Civil Procedure):****
 - Sec 10, Rule 44 highlights flexible procedural deadlines for government agencies due to the heavy workload of the OSG.
 - Rulings on procedural failures must balance timely resolution with fair allowance for delayed filings when justified.

****Relevant Statutes:****

- Administrative Code of 1987: E.O No. 292, Book V, Title I, Chapter 7, Sec. 48(2).
- 1997 Rules of Civil Procedure, Sec 10, Rule 44.

Historical Background

The case showcases a period of high regulatory scrutiny and internal audits within Philippine public entities in the early 1990s, reflecting broader trends towards improving

transparency and accountability in government contracts and processes, particularly in state-run corporations and bureaucracies.