

ANDRES S. SAJUL, PETITIONER, VS. SANDIGANBAYAN (FIRST DIVISION), AND THE PEOPLE OF THE PHILIPPINES, RESPONDENTS.

G.R. No. 135294. November 20, 2000

Ponente: KAPUNAN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-135294/>

KAPUNAN, J.:

This is an appeal from the Decision of the Sandiganbayan (First Division) promulgated on July 31, 1998 finding petitioner Andres Sajul guilty beyond reasonable doubt of having violated Section 3 (g) of R.A. 3019 and imposing upon him the indeterminate prison term of six (6) years and one (1) day as minimum to ten (10) years as maximum with perpetual disqualification from holding public office.

The information reads as follows:

That on or about May, 1985, or immediately prior and subsequent thereto, in Quezon City, and within the jurisdiction of this Honorable Court, accused, a public officer, being then the Regional Director, Region V of the defunct Land Transportation Commission, did then and there, willfully, unlawfully enter into a manifestly and grossly disadvantageous transaction with a certain Cayetano Gacilo, c/o Bato-Bato Enterprises, by purchasing from the latter twenty three (23) units of fire extinguishers, which were found defective, valued at P2,500.00 per unit or a total amount of P57,500.00, when in truth and in fact, the actual, real and prevailing cost of the extinguishers of the same kind and quality at the time of purchase was only P1,500.00, a difference of P1,000.00 each per unit, or a total difference of P23,000.00, to the damage and prejudice of the Government.

CONTRARY TO LAW.

Manila, Philippines, 30 July 1992.[1]

Upon arraignment on August 13, 1993, petitioner pleaded "not guilty."

The prosecution presented the following witnesses: (1) Lilia de la Cruz Cadores - Regulation Officer II of the Land Transportation Office (LTO)-Southern Licensing Center; (2) Edna Ramos Garvida - Chief Transportation Regulation Officer of the LTO, NCR; (3) Sampaguita Sobredo Santos - COA Auditor, Resident Auditor of the Board Of Investment ; (4) Ana Marie Javellana - Chemist and a professor of Ateneo de Manila. The prosecution also submitted its Formal Offer of Exhibits dated February 17, 1995 constituting Exhibits A to JJ-5.

On the other hand, the defense presented: (1) Cayetano Bonuel Gacilo - a supplier of fire extinguisher and a radio commentator; and (2) the accused himself, Andres Solo Sajul. Exhibits 1 to 10 were also presented as its documentary proofs.[2]

This case against petitioner arose when Lilia Cadores who was the Acting Property Officer of the Land Transportation Commission- National Capital Region (LTC-NCR) from 1984 to 1988 was called by Director Andres Sajul to his office sometime in April, 1985. She was shown certain documents such as the Request to Issue Voucher (RIV), Purchase Order (PO), Certification, etc. She was told to sign the RIV and the PO for the

purchase of the 23 units of fire extinguishers from Bato-Bato Enterprises. She refused to sign the request forms on the ground that the previous deliveries of Bato-Bato Enterprises were defective and the price exorbitant. She proposed/suggested to Director Sajul to subject the transaction to a public bidding or open canvass so they will be able to purchase the same at a lower price. Director Sajul, however, got mad and even slammed shut his attache case in front of her, uttering bad words such as "bullshit" and similar words. Cadores got out of the room and proceeded to the comfort room and cried. She reported the incident to Ms. Edna Garvida, the chief of Administrative Division. The matter was referred for consultation to the Regional Accountant, Resident Auditor, Asst. Regional Director and the Chief of Administrative Division and all the members thereof agreed that the transaction be subjected to public bidding and open canvass.

On May 8, 1985, she submitted a briefing memo to Director Andres Sajul where she put down into writing her objections to the purchase/payment of the 23 fire extinguishers from Bato-Bato Enterprises. She stated that the offer of Bato-Bato Enterprises was exorbitant as the office might be able to negotiate for a lesser offer for the same kind of product through public bidding such as the offer of Zodiac Trading.

In July, 1985, Cadores together with Edna Garvida took one unit of fire extinguisher and had it tested at the Ministry of Trade and Industry. The Director of the Product Standard Agency (PSA), Ignacio Salcedo Jr. referred them to the Philippine Institute of Pure and Applied Chemistry (PIPAC) which conducts tests for the PSA. Dr. Ana Maria Javellana, a Chemist and the Acting Director of the PIPAC certified the report "Analysis of Bromochlorodifluoromethane (BCF)" of the fire extinguisher brought to said office for testing. The report stated that the fire extinguisher being tested yielded- "No BCF found." [3]

For their refusal to act on the papers/documents and their bringing out of one unit of fire extinguisher for testing without authority, Cadores, as Property Officer and Garvida as Administrative Officer were relieved of their duties for two (2) weeks by petitioner. They were reinstated to their positions by LTC Chairman Bienvenido Guerrero in a Memorandum addressed to Director Andres Sajul. [4]

For the defense, Cayetano Gacilo y Bonuel, the owner of Bato-Bato Enterprises and supplier of the fire extinguishers was presented in court. He testified that he transacted business with Director Andres Sajul sometime in 1985 regarding the 23 units of fire extinguishers purchased by the LTC from the Bato-Bato Enterprises. When he asked for the payment, he was informed by Director Sajul that one unit was taken to the PSA for testing. Upon learning this, he presented a complaint (protest) because the test/analysis was not made in the presence of the supplier, in violation of the Commission On Audit (COA) Rules and Regulations Series of 1979 which states:

What is subject to test or analysis sample is to be taken by the Property Inspection Report. The agency concerned shall request the presence of the dealer or his authorized representative during the sampling. The dealer or his authorized representative must sign the certificate of sampling. The property inspector shall not submit any sampling for analysis without the property accomplished certificate of sampling. No inspection or delivery shall be entertained unless the dealer submitted enough bid sample for the articles delivered. [5]

He admitted that initially, Director Sajul asked him to submit a quotation for the repair of 23 units of fire extinguishers. Upon examination, however, of the fire extinguishers at the Regional Office, he informed Director Sajul that they can no longer be repaired as the containers were already dilapidated. He submitted a proposal that the office can purchase new ones from him and a discount on a trade-in basis shall be given to the Regional Office for the dilapidated containers. His offer was accepted and the Purchase Order was prepared. He delivered the fire extinguishers after he received the POs. [6]

He testified further that then Minister Jose Dans, Jr. ordered the payment of the purchases after a Performance Quality Test was conducted on the grounds of the LTO Compound in the presence of LTO Officers, members of

the fire brigade under Engr. Calingco and witnessed by a representative from the Fire Department of Quezon City and a representative from COA. Per actual demonstration during the Performance Quality Test, Messrs. Aragon and Mapa put up a fire and was kept burning for ten minutes. One unit was picked up at random from the pile of the fire extinguishers and this was used to extinguish the fire. He made a written report[7] on the matter because he was interested in collecting payment. At the time payment was made, Director Sajul was no longer connected with the office. He stated that he transacted business with the LTO since 1979 but this was the first time that the quality of his product was questioned. He stated that he learned the chemical complexities of fire extinguishers through the many years of experience. In fact, he boasts that his product, BCF Halogenated HydroCarbon, was the only one approved by the Bureau of Fire Protection.[8]

For his part, Andres Sajul testified[9] that with regard to the transaction in question, he met Cayetano Gacilo in Bicol when the latter was repairing the LTO building in that province. He was transferred to the National Capital Region Office because of a reshuffling of Regional Directors. He did not choose Bato-Bato Enterprises to supply the needed fire extinguishers for the Central Office but actually learned that it had been its supplier for some time now which won in a competitive bidding in 1982 .

He averred that Lilia Cadores refused to sign the RIV and the PO because she had another supplier in mind. He relieved her of her post because of her refusal to sign the documents which was tantamount to insubordination. He did not conduct a bidding anymore because this was considered a negotiated contract. Before he retired from office, he had accomplished a Clearance dated May 10,1988[10] to prove that he was cleared of all money and property accountabilities and certified to have no pending administrative/criminal case filed against him at his retirement.

On July 31, 1998, the Sandiganbayan rendered the assailed decision with the following dispositive portion:

WHEREFORE, premises considered, judgment is hereby rendered finding accused ANDRES SAJUL y SOLO Guilty beyond reasonable doubt of having violated Section 3 paragraph G of R.A. 3019 and hereby imposes upon him, in the absence of any mitigating or aggravating circumstance, pursuant to Section 9 thereof and Indeterminate prison term of SIX (6) YEARS and ONE (1) DAY as minimum to TEN (10) YEARS as maximum with perpetual disqualification from holding public office, and to pay the cost.

The facts from which the civil liability might arise not being indubitable there is no pronouncement as to the same.

His bailbond is ordered canceled.

SO ORDERED.[11]

Petitioner comes to this Court asserting that :

1. THERE IS ABSOLUTELY NO EVIDENCE THAT ACCUSED PERSONALLY BENEFITED FROM THE PURCHASE OF THE 23 FIRE EXTINGUISHERS IN QUESTION;
2. THE BELATED ZODIAC OFFER OF A LOWER PRICE DID NOT NECESSARILY MAKE THE PRICE OF THE QUESTIONED FIRE EXTINGUISERS EXORBITANT, AND CANNOT BE A LEGAL OR FAIR BASIS MUCH LESS A DEPENDABLE AND COMPETENT EVIDENCE OF OVERPRICING.
3. THAT THE FIRE EXTINGUISHERS IN QUESTION DID NOT CONTAIN "BCF" DID NOT MEAN THAT THE SAME WERE NOT GOOD FIRE EXTINGUISHERS AND THAT THE SALE THEREOF TO THE GOVERNMENT WAS NECESSARILY "MANIFESTLY AND GROSSLY DISADVANTAGEOUS" TO THE GOVERNMENT.
4. THE SUPPLIER IN THE INSTANT CASE HAS NEVER CLAIMED THAT THE FIRE

EXTINGUISHERS THAT HE DELIVERED TO THE LAND TRANSPORTATION OFFICE (LTO-NCR), AS INDICATED IN THE PURCHASE ORDER (PO), CONTAINED "BCF," AN IMPORTED COMPONENT OF A FIRE EXTINGUISHER, ALTHOUGH HE CLAIMED THAT HIS FIRE EXTINGUISHERS CALLED THE "BCF HALOGENATED HYDRO CARBON," A LOCAL FORMULATION, WHICH WAS WHAT HE HAD BEEN SELLING AND DELIVERING TO THE VARIOUS LTO OFFICES SINCE 1982 AFTER WINNING A COMPETITIVE BIDDING IN THAT YEAR, ARE MUCH BETTER;

5. THAT THE SALE WAS A DIRECT PURCHASE OR NEGOTIATED CONTRACT SO THERE WAS ADMITTEDLY NO BIDDING; HOWEVER, THE PETITIONER AS REGIONAL DIRECTOR WAS AUTHORIZED TO ENTER INTO A NEGOTIATED CONTRACT TO PURCHASE THE SAME. (EXHIBIT "9-B").

6. THAT THERE WAS NO BIDDING DID NOT MAKE THE PURCHASE OF THE QUESTIONED FIRE EXTINGUISHERS "MANIFESTLY AND GROSSLY DISADVANTAGEOUS TO THE GOVERNMENT."

7. THE REQUIREMENT UNDER SECTION 3 (G) OF REPUBLIC ACT 3019 THAT THE ACCUSED MUST HAVE ENTERED INTO A "MANIFESTLY AND GROSSLY DISADVANTAGEOUS" CONTRACT, HAS NOT BEEN SATISFIED BY THE PROSECUTION.

8. THE PROSECUTION MISERABLY FAILED TO PROVE THE GUILT OF THE ACCUSED/PETITIONER OF THE CRIME CHARGED AGAINST HIM BEYOND REASONABLE DOUBT.[12]

Section 3 (g) of Republic Act No. 3019, otherwise known as the Anti-graft and Corrupt Practices Act under which petitioner was charged reads as follows:

Section 3. Corrupt practices of public officers - In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:

x x x

(g) Entering on behalf of the government into any contract or transaction, manifestly and grossly disadvantageous to the same whether or not the public officer profited or will profit thereby.

x x x

To sustain a conviction , it must be established that:

- (a) the accused is a public officer;
- (b) that he entered into a contract or transaction on behalf of the government; and,
- (c) that such contract or transaction is grossly and manifestly disadvantageous to the government.[13]

It is undisputed that petitioner, being then the Regional Director of Land Transportation Commission (now LTO) was a public officer at that time he entered into the subject negotiated contract for the purchase of 23 fire extinguishers for the use of the Central Office in LTO with Bato-Bato Enterprises. Whether or not the contract or transaction was grossly and manifestly injurious or disadvantageous to the government is the threshold question.

The culpability of the petitioner was proven as the Sandiganbayan found that (1) the fire extinguishers purchased from Bato-Bato Enterprises did not contain the chemical component BCF allegedly contrary to its product description; (2) the price was exorbitant; and (3) petitioner did not comply with the usual standard procedure in the procurement of supplies, to the prejudice of the government.

In finding that the subject fire extinguishers did not contain the component BCF, the Sandiganbayan relied on the "Analysis of Bromochlorodifluoromethane" as certified by Dr. Ana Maria Javellana, Acting Institute Director of the Philippine Institute of Pure and Applied Chemistry. Considering that no BCF was found, the Sandiganbayan concluded that the fire extinguishers supplied by the petitioner, were defective and thus, prejudicial to the government.

The report of the PIPAC reads as follows:

—	
Code	
Description	
Results	
—	
85-097 Cardel, ABC	
All purpose	
Fire Extinguisher	
25 lbs. capacity	
The sample was found to contain approximately 8% carbon dioxide 74% water and 18% unknown components which we did not try to identify.	
No BCF was found.	
85-101 Cardel, ABC	
All purpose	
Fire Extinguisher	
25 lbs. capacity	
The sample was found to contain 0. 3% carbon dioxide and the rest is water.	
No BCF was found.	
PSA Code Sample Description	
Headspace Component	
Co2 H2O Unknown Components	

85-098

Cardel

38

30

32

ABC All purpose

Fire Extinguisher

25 lbs.

85-99

Cardel

ABC All purpose

8

51

41

Fire Extinguisher

25 lbs.

85-100

Cardel

1

53

46

ABC All purpose

Fire Extinguisher

25 lbs.

We do not try to identify the unknown component.

No BCF was found.

xxx.[14]

BCF is a chemical compound found in fire extinguishers. It does not contain oxygen; hence, it can put out fire.[15] While it is true that the subject fire extinguishers did not contain BCF, the report of the PIPAC does not, however, preclude the presence of other chemical components that can effectively put out fire. When called to the witness stand, Dr. Javellana clarified that the test conducted by the PIPAC was to determine only the presence of the BCF in the fire extinguishers because that was the request of the job order. The other components of the fire extinguishers were no longer identified as this was not requested. The only advantage which can be taken from a BCF component in the fire extinguishers is that it causes less damage to the property. We quote the pertinent portion of Dr. Javellana's testimony which is quite revealing:

PJ GARCHITORENA

Q

So you did not identify anymore what other components.

A

We do it Your Honor, we analyzed, as per requested our job order was to analyze for BCF.

Q

That is what you look for.

A

That is what we look for Your Honor, we were not asked to analyze for other components.

Q

So you were not asked to break up the chemical composition of the fire extinguisher.

A

No, Your Honor.

xxx.

AJ BALAJADIA

Q

Now, this BCF you said that its function in fire extinguisher is that it excludes oxygen and in the process extinguishes fire. Now, are there other chemicals which function in the same way or more or less in the same way as the BCF.

A

I imagine carbon dioxide will do the same thing Your Honor.

Q

So it is possible that the components which were not identified could also function in the same way or in a similar way as the BCF.

A

I imagine so but I am not an expert in the fire extinguisher Your Honor.

xxx.

PJ GARCHITORENA

Q

So we now go back to carbon dioxide and BCF. In other words, you have no statement as to whether or not the other items you examined contain other chemicals which would be effective fire extinguishers.

A

Yes, Your Honor.

Q

So that there could have been carbon dioxide.

A

Yes, Your Honor.

Q

It could be effective to a certain degree for fire extinguishers but that you would know about it on the basis of your tests.

A

Carbon dioxide, we can see carbon dioxide, sir.

Q

There was.

A

In some of the cylinders, Your Honor.

Q

Is there any quantity of carbon dioxide that is necessary in any volume so that it will become an effective fire extinguisher.

A

To the best of what I know Your Honor, you have (sic) to have a sufficient volume "3-e" that excludes oxygen on all together to extinguish the flame and if not enough then the fire will continue.

Q

In relation to volume, do you know what percentage must be the carbon dioxide to be effective.

A

No, Your Honor.

Q

Is there a difference between utilization of carbon dioxide insofar as fires are concerned.

A For general fires or household fires probably not but where you don't want your materials to get wet BCF

has no water so it is safer, you have a better chance recovering the damages.

xxx.[16]

Contrary to the respondent court's findings and conclusion, the supplier, Cayetano B. Gacilo admitted in open court that his fire extinguisher does not really contain the chemical component BCF but described its component as BCF Type only. He does not deny such fact and never pretended or represented that his fire extinguishers contained the BCF component. He averred that his fire extinguishers were BCF Type Halogenated HydroCarbon as stipulated in the Purchase Order Forms. He was actually surprised why his fire extinguisher was compared to the imported ones which contained BCF when his fire extinguishers were locally manufactured and contained a chemical component that was similar but as effective as the BCF. He testified, to wit:

ATTY. ABALOS

Q

Now in this Exhibit 3 Mr. witness, the component that was supposed to be tested was the presence of bromo chloride fluoremethane or BCF. What is the relation of this chemical component to the units that you delivered to the LTO subject of this case.

WITNESS

A

Ma'am, this is an analysis of BROMOCHLORODI FLUOREMETHANE fire extinguisher. This is an imported fire extinguisher. This is not local. What was delivered by me as indicated in the P.O. is a locally manufactured fire extinguisher, BCF type HALOGENATED HYDRO CARBON. I do not know why they have to analyze an imported one when this is not the one being purchased.

ATTY. ABALOS

Q

Now Mr. witness, as reflected in the disbursement voucher and the Purchase Order, can you describe the fire extinguisher that you have delivered?

A

It is halogenated hydrocarbon BCF type, not bromo chlorodi fluouremethane. The bromo chlorodi fluouremethane is an imported fire extinguisher.

xxx[17].

The fact that the fire extinguishers supplied by Bato-Bato Enterprises did not contain the BCF does not in itself mean that the contract entered into was manifestly injurious to the government. It must be noted that a Performance Quality Test was conducted on the grounds of the LTO in the presence of several officials before payment was made on the purchases. A fire was built and kept burning for ten (10) minutes. After which, one fire extinguisher was randomly picked from among the other fire extinguishers delivered by Bato-Bato Enterprises and this was able to successfully put out the fire. The report reads as follows:

13 December 1985

Honorable Buenaventura J. Guerrero
Chairman, Land Transportation Commission
East Avenue, Quezon City

Thru: The Executive Director

Sir:

This is in connection with the performance quality test conducted this date of December 13, 1985 of the fire extinguisher I delivered and accepted by the LTC-NCR as prescribed by the Action Executive Director Col. Conrado K. Tolentino.

In compliance with the prescribed procedures set for the aforesaid test, the following personnels (sic) can bear witnessed (sic) to the events as follows:

- Mr. Rogelio Aragon and Mr. Rogelio Hapa of the Electrical Section of G.S.D. who prepared the required fire to be extinguished.
- Mr. Florente Agno of the G.S.D. who supervised the testing as representative of the LTC Fire Marshall Brigade under Negro. Mariano Calingo.
- Mr. Fernando Hesita of the Fire Department of Quezon City and Mr. Elmer Sadicon of the COA witnessed the performance demonstration.

Per actual demonstration, the fire was built by Msrs. (sic) Rogelio Aragon and Rogelio Hapa and for more than 10 minutes the fire was left to be burning, then one unit was picked-up at random from the fire. The aforesaid unit was used to extinguished (sic) the fire and it was able to extinguished (sic) the fire in seconds.

This report is respectfully submitted in connection with our claim for payment of the aforementioned deliveries of 23 units of fire extinguishers to the LTC-NCR.

xxx.[18]

Undeniably, the fire extinguishers supplied by Bato-Bato Enterprises were effective in putting out fire even if they did not contain BCF. Even the Sandiganbayan acknowledged this fact in its decision where it stated that "other chemicals could also be effective to a certain degree for fire extinguishers like carbon dioxide which could probably be contained in the extinguishers supplied by the accused." [19] It can not therefore be considered that the transaction entered into by petitioner in behalf of the government was manifestly injurious to the government just because of the absence of BCF in the fire extinguishers delivered to the LTO.

After having ruled that the product was allegedly defective, the Sandiganbayan continued to make a rash conclusion that the price of Bato-Bato Enterprises was exorbitant. To substantiate this assertion, the prosecution presented a quotation from Zodiac Trading which states that a fire extinguisher of the same make and kind would allegedly cost only about P1,500 which was P1,000 less of Bato-Bato's price. Thus, there was "a total difference of P23,000 [in the purchase of the 23 fire extinguishers] to the damage and prejudice of the government." [20]

The comparison of prices between Bato-bato Enterprises with that of Zodiac Trading is rather unacceptable. In the first place, Zodiac trading was not properly identified as a company dealing with fire extinguishers or a leading company selling fire extinguishers, for that matter. Nobody from the company appeared in court to testify about its company or its product. The components of its fire extinguishers were not actually proven to be the same as that of Bato-Bato Enterprises. The quotation of Zodiac Trading was merely solicited and stated in the briefing memorandum of Cadores dated May 8, 1985 [21] submitted to Director Andres Sajul. The veracity of such

quotation was not proven. Considering all these circumstances, it is rather unfair to compare the prices of Bato-Bato Enterprises with that of Zodiac Trading when the basis of the comparison has not been established. The respondent court hastily concluded that there was an overpricing of the fire extinguishers when there was only one company singled out which apparently quoted a lower price than that of Bato-Bato Enterprises. As held in the case of *Marcos v. Sandiganbayan*:^[22]

The disparity between the rental price of the Lease Agreement and that of the Sub-lease Agreement is no evidence at all to buttress the theory of the prosecution, "that the Lease Agreement in question is manifestly and grossly disadvantageous to the government." "Gross" is a comparative term. Before it can be considered "gross", there must be a standard by which the same is weighed and measured.

It must be noted that Bato-Bato Enterprises had long been supplying the Central Office since 1982 after winning in a competitive bidding. Its price in 1982 and that in 1985 remained the same. No evidence was adduced to show that there were other fire extinguishers which cost less than that of Bato-Bato Enterprises in 1982. In order to show that there was an overpricing in the subject transaction, a canvass of different suppliers with their corresponding prices should have been procured which could readily show the differences in the price quotations.^[23]

Absent this competent evidence, it is rather unfair to conclude that the price of Bato-Bato Enterprises was exorbitant on the basis alone of a submitted quotation of one company and to further rule that the contract was grossly injurious to the government.

Moreover, it is undisputed that petitioner, with his position as Regional Director had also the authority to enter into a negotiated contract without the benefit of a bidding. Section 441 Article 6 of the Government Accounting and Auditing Manual (GAAM) provides:

Section 441. Conditions for negotiated purchase. - Negotiated is a system of purchase which dispenses with the stringent requirements of public bidding. Purchases through this mode may be allowed in the following cases.

a Whenever the supplies are urgently needed to meet an emergency which may involve the loss of, or danger to life and/or property;

b Whenever the supplies are to be used in connection with a project or activity which can not be delayed without causing detriment to the public service;

c Whenever the materials are sold by an exclusive distributor or manufacturer who does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained elsewhere at more advantageous terms to the government;

d Whenever the supplies under procurement have been unsuccessfully placed on bid for at least two consecutive times, either due to lack of bidders or the offers received in each instance were exorbitant or non-conforming to specifications;

e In cases where it is apparent that the requisition or the needed supplies through negotiated purchase is most advantageous to the government to be determined by the department head concerned;

f Whenever the purchase is made from an agency of the government.^[24]

Unfortunately, the respondent court belittled petitioner's defense based on paragraphs (a), (c) and (e) of the aforementioned rule ratiocinating that with the submission of the quotation of Zodiac Trading, petitioner should have at least been aware that there were other fire extinguishers that may be cost-wise beneficial to the government which should compel him to subject the transaction to an open canvass and/or public bidding.

It bears stressing that Bato-Bato Enterprises won in a competitive bidding in 1982 to supply fire extinguishers to the Central Office of the LTO and has since then supplying the needed fire extinguishers in the Regional Offices including the NCR Office. Its bid price was quoted as P2,500 per fire extinguisher in 1982. No evidence was presented that a similar kind of fire extinguisher cost less than P2,500 at that time. Its price remained the same in 1985 when this incident occurred. Its track record with the government is quite impressive as he testified that he has been dealing with the government since 1979, supplying the regional offices of the LTO with his fire extinguishers.[25] Under the attendant circumstances, it was no fault of petitioner to have continued the transaction with Bato-Bato Enterprises for the purchase of fire extinguishers under a negotiated contract when petitioner was under the impression that Bato-Bato Enterprises was a regular supplier of the LTO. Thus, a canvass or bidding was dispensed with. We quote the testimony of petitioner on this matter:

JUSTICE NAZARIO

Q

Did you conduct a canvass of fire extinguisher?

A

I did not conduct, mam, because it is a negotiated contract because the supplier has been supplying the office for number of years already and a negotiated contract is allowed.

Q

And in a negotiated contract, no canvass is necessary?

A

I do not make a canvass because I just follow what the Central Office did at that time because the Central Office gets supplies from this enterprise.

Q

So, just because the Central Office gets supplies from Bato-Bato Enterprises, you also got the supplies from Bato-Bato Enterprises without conducting the necessary inquiries?

A

I believe the Central Office because the Central Office then was the one taking from this supplier.

xxx.[26]

This testimony was corroborated by the supplier, Gacilo who testified in part, to wit:

JUSTICE NAZARIO

Q

You said that you were granted exclusive right to supply fire extinguishers...

WITNESS

A

It was not Atty. Sajul.

Q

But you were granted by the LTC exclusive right to supply fire extinguishers?

A

I won in competitive bidding. I was invited and won the bid to supply fire extinguishers.

Q

In supplying fire extinguishers to the LTO it was with Director Sajul with whom you transacted business with?

A

In the latter part, but I have already supplied fire extinguishers to the regional offices.

Q

Since the time you were awarded in 1982 it was with Director Sajul with whom you transacted business with regards to the supply of fire extinguishers?

A

Yes, ma'am.

Q

From 1982 to 1985 how many transactions did you have with Atty. Sajul regarding the delivery of fire extinguishers?

A

I can only remember in 1985, this transaction.

Q

But there were several transactions you had with the LTO?

A

Not with Atty. Sajul but with Atty. Bellispin.

JUSTICE NAZARIO

Q

Is this the first incident regarding your delivery of fire extinguishers to Atty. Sajul where the quality of the fire extinguishers was questioned?

WITNESS

A

This is the first time.

xxx.

PJ GARCHITORENA

Q

Is it correct to say that the LTO has been your regular customer?

A

Yes, your Honor.

Q

AND beside supplying fire extinguishers in the NCR you are saying you were supplying fire extinguishers in the other regional office?

A

Yes, sir.

Q

Nationwide?

A

Yes, your Honor.

Q

Since when or when did you begin supplying fire to the LTO nationwide?

A

I remember that the first time I supplied to the LTO was in 1979. The plate making plant was burned to the ground and had it not been for the fire extinguisher it would have been razed completely to the ground.

xxx

Q

And you are saying that the fire extinguisher put out the fire?

A

Yes, sir,

Q

And from 1979 up to 1985 you continued to supply the fire extinguishers?

A

Yes, sir.

xxx[27]

With the above testimonies, petitioner's failure to go through the standard procedure of bidding was at the least an error of judgment on his part, an omission which merits administrative sanctions only and not enough to convict him of the crime as charged. In fact, the Minister was aware of such fault as he merely admonished petitioner to be more careful and discreet in the exercise of his duties and responsibilities.[28]

Notwithstanding, it can not be denied that the Minister also recognized petitioner's authority to enter into a

negotiated contract with Bato-Bato Enterprises which was a regular supplier of fire extinguishers for the Central Office of the LTO after it won in a competitive bidding in 1982. Pertinent portions of the Memorandum of the Minister of the Ministry of Transportation and Communication reads as follows:

19 November 1985

MEMORANDUM

To : B. J. Guerrero

LTC Chairman

Quezon City

Subject : ACQUISITION OF FIRE EXTINGUISHERS FROM
BATO-BATO ENTERPRISES

This refers to the twenty-three (23) fire extinguishers acquired by Regional Director Andres Sajul of the National Capital Region, (NCR) from Bato-Bato Enterprises.

Records show that Bato-Bato Enterprises has been a regular supplier of fire extinguishers of the BLT (now LTC) Central Office, by virtue of an award after a competitive bidding conducted sometime in 1982.

xxx

This Ministry recognizes the authority of Regional Directors to undertake negotiated purchase of office supplies and equipment.

xxx.[29]

Whether or not petitioner failed to conduct a bidding is not really the paramount issue in the case at bar. The real issue is whether or not the transaction or contract entered into was manifestly or grossly disadvantageous to the government. "Manifest," meaning evident to the senses, open, obvious, notorious, unmistakable etc. while "gross" is defined as glaring, reprehensible, culpable, flagrant, shocking etc.[30] Given the circumstances of the case, we do not see how the contract entered into by the petitioners would cause obvious or glaring injury to the government when petitioner merely continued the purchase from a regular supplier which he had authority to do so.

In *Dans, Jr. v. People*,^[31] the validity of Section 3 (g) of R.A. 3019, as amended was questioned for being unconstitutional on grounds of vagueness and superfluity for it does not set a definite standard by which the court will be guided, thus, leaving it open to human subjectivity. To this, the Court explained:

There is, however, nothing "vague" about the statute. The assailed provision answers the basic query "What is the violation?" Anything beyond this, the "how's" and "why's" are evidentiary matters which the law can not possibly disclose in view of the uniqueness of every case. The "disadvantage" in this instance is something that still has to be addressed by the State's evidence as the trial progresses. It may be said that the law is intended to be flexible in order to allow the judge a certain latitude in determining if the disadvantage to the government occasioned by the act of a public officer in entering into a particular contract is, indeed, gross and manifest.

Following from this disquisition, we do not see how the disadvantage allegedly caused by the subject transaction to the government was gross and manifest as to warrant petitioner's conviction under this section given the facts and circumstances of the case. To justify a conviction, a man's guilt must be established to a moral certainty, that is, precluding all reasonable doubt as to his guilt.[32] Regrettably, the respondent court's decision failed in this respect.

WHEREFORE, the petition is hereby GRANTED. Petitioner is ACQUITTED of violating Section 3 (g) of R.A. 3019.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Ynares-Santiago, JJ., concur.

-
- [1] Records, p. 1.
[2] Rollo, p. 71.
[3] Exhibit "Z."
[4] TSN, September 23, 1994; Exhibit "EE."
[5] Decision, p. 24.
[6] TSN, August 29, 1996.
[7] Exhibit "5."
[8] TSN, August 30, 1996.
[9] TSN, October 21, 1996.
[10] Exhibit "10."
[11] Rollo, p. 113.
[12] Id., at 10-11.
[13] Luciano v. Estrella, 34 SCRA 769 (1970); Dans, Jr. v. People, 285 SCRA 504 (1998).
[14] Exhibit "GG."
[15] Decision, p. 17.
[16] TSN, Jan. 19, 1995, pp. 22, 24-26.
[17] TSN, August 30, 1996, p. 8.
[18] Exhibit "5."
[19] Decision, p. 35.
[20] see Information, p.1.
[21] Exhibit "F."

[22] 297 SCRA 95 (1998).

[23] COMMISSION ON AUDIT MEMORANDUM NO. 97-012 MARCH 31, 1997

xxx

3.2 To firm-up the findings to a reliable degree of certainty, initial findings of over-pricing based on market price indicators mentioned in pa. 2.1 above have to be supported with canvass sheets and/or price quotations indicating:

- a. the identities of the suppliers or sellers
- b. the availability of stock sufficient in quantity to meet the requirements of the procuring agency;
- c. the specifications of the items which should match those involved in the finding of over-pricing; and
- d. the purchase/contract terms and conditions which should be the same as those of the questioned transaction.

[24] Decision, p. 30; Rollo, p. 107.

[25] TSN, August 30, 1996, p. 32-33.

[26] TSN, October 21, 1996, pp. 10-12; 41-42.

[27] TSN, August 30, 1996.

[28] Exhibit "9."

[29] Ibid.

[30] West's Legal/Thesaurus Dictionary, Special Deluxe Edition, West Publishing Company, 1986.

[31] Supra.

[32] People v. Pandiano, 232, SCRA 619 (1994).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.