SEVERINO B. VERGARA, PETITIONER, VS. THE HON. OMBUDSMAN, SEVERINO J. LAJARA, AND VIRGINIA G. BARORO, RESPONDENTS.

G.R. No. 174567. March 12, 2009

Ponente: CARPIO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-174567/

CARPIO, J.:

The Case

This petition for certiorari and mandamus[1] assails the 17 March 2004 Resolution[2] and 22 August 2005 Order[3] of the Office of the Deputy Ombudsman for Luzon (Ombudsman) in OMB-L-C-02-1205-L. The Ombudsman dismissed the case filed by Severino B. Vergara (petitioner) and Edgardo H. Catindig against Severino J. Lajara as Calamba City Mayor (Mayor Lajara), Virginia G. Baroro (Baroro) as City Treasurer, Razul Requesto as President of Pamana, Inc. (Pamana), and Lauro Jocson as Vice President and Trust Officer of the Prudential Bank and Trust Company (Prudential Bank) for violation of Section 3(e) of the Anti Graft and Corrupt Practices Act (RA 3019).[4]

The Facts

On 25 June 2001, the City Council of Calamba (City Council), where petitioner was a member, issued Resolution No. 115, Series of 2001. The resolution authorized Mayor Lajara to negotiate with landowners within the vicinity of Barangays Real, Halang, and Uno, for a new city hall site.[5] During the public hearing on 3 October 2001, the choice for the new city hall site was limited to properties owned by Pamana and a lot in Barangay Saimsin, Calamba.[6]

On 29 October 2001, the City Council passed Resolution No. 280, Series of 2001, authorizing Mayor Lajara to purchase several lots owned by Pamana with a total area of 55,190 square meters for the price of P129,017,600.[7] Mayor Lajara was also authorized to execute, sign and deliver the required documents.[8]

On 13 November 2001, the City Government of Calamba (Calamba City), through Mayor Lajara, entered into the following agreements:

- Memorandum of Agreement (MOA)
The MOA with Pamana and Prudential Bank discussed the terms and conditions of the sale of 15 lots with a total area of 55,190 square meters. The total purchase price of P129,017,600 would be payable in installment as follows: P10,000,000 on or before 15 November 2001, P19,017,600 on or before 31 January 2002, and the balance of P100,000,000 in four equal installments payable on or before 31 April 2002, 31 July 2002, 31 October 2002, and 31 January 2003.[9]

- Deed of Sale
Under the Deed of Sale, Calamba City purchased from Pamana and Prudential Bank 15 lots with a total area of 55,190 square meters, more or less, located in Brgy. Lecheria/Real, Calamba, Laguna with Transfer Certificate of Title (TCT) Numbers 159893, 159894, 159895, 159896, 159897, 158598, 162412, 162413, 204488, 66140,

61703, 66141, 66142, 66143, and 61705.

- Deed of Real Estate Mortgage
Calamba City mortgaged to Pamana and Prudential Bank the same properties subject of the Deed of Sale as security for the balance of the purchase price.

- Deed of Assignment of Internal Revenue Allotment (IRA)
Calamba City's IRAs from January 2002 to 31 January 2003 were assigned to Pamana and Prudential Bank in the amount of P119,017,600.

On 19 November 2001, the above documents were endorsed to the City Council. Petitioner alleged that all these documents were not ratified by the City Council, a fact duly noted in an Audit Observation Memorandum dated 9 August 2002 and issued by State Auditor Ruben C. Pagaspas of the Commission on Audit.

Petitioner stated that he called the attention of the City Council on the following observations:

a)

TCT Nos. 66141, 66142, 66143, 61705 and 66140 were registered under the name of Philippine Sugar Estates Development Company (PSEDC) and neither Pamana nor Prudential Bank owned these properties. Petitioner pointed out that although PSEDC had executed a Deed of Assignment[10] in favor of Pamana to maintain the road lots within the PSEDC properties, PSEDC did not convey, sell or transfer these properties to Pamana. Moreover, petitioner claimed that the signature of Fr. Efren O. Rivera (Fr. Rivera) in Annex A of the Deed of Assignment appeared to be a forgery. Fr. Rivera had also submitted an Affidavit refuting his purported signature in Annex A.[11]

b)

Petitioner claimed that there was no relocation survey prior to the execution of the Deed of Sale. [12]

c)

Petitioner alleged that with respect to the two lots covered by TCT No. 61703 with an area of 5,976 square meters and TCT No. 66140 with an area of 3,747 square meters, Fr. Boyd R. Sulpico (Fr. Sulpico) of the Dominican Province of the Philippines had earlier offered the same for only P300 per square meter.[13]

d)

Petitioner contended that TCT Nos. 66141, 66142, 66143 and 61705 are road lots. The dorsal sides of the TCTs bear the common annotation that the road lots cannot be closed or disposed without the prior approval of the National Housing Authority and the conformity of the duly organized homeowners' association.[14]

e)

Petitioner claimed that an existing barangay road and an access road to Bacnotan Steel Corporation and Danlex Corporation were included in the Deed of Sale[15]

Petitioner maintained that since the pieces of evidence in support of the complaint were documentary, respondents have admitted them impliedly.[16]

The Ruling of the Ombudsman

On 17 March 2004, the Ombudsman issued a Resolution (Resolution) finding no probable cause to hold any of

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

the respondents liable for violation of Section 3(e) of RA 3019.[17]

The Ombudsman found that the subject properties have been transferred and are now registered in the name of Calamba City under new Certificates of Title.[18] Moreover, the reasonableness of the purchase price for the subject lots could be deduced from the fact that Calamba City bought them at P3,800 per square meter, an amount lower than their zonal valuation at P6,000 per square meter. The Ombudsman added that it was common knowledge that the fair market value of the lots was higher than their zonal valuation, yet the lots were acquired at a lower price. The Ombudsman also found that the terms and conditions of payment were neither onerous nor burdensome to the city government as it was able to immediately take possession of the lots even if it had paid only less than ten percent of the contract price and was even relieved from paying interests on the installment payments. The Ombudsman ruled that there was no compelling evidence showing actual injury or damage to the city government to warrant the indictment of respondents for violation of Section 3(e) of RA 3019.[19]

On 27 September 2004, petitioner filed a Motion for Reconsideration. Petitioner questioned the lack of ratification by the City Council of the contracts, the overpricing of lots covered by TCT Nos. 61703 and 66140 in the amount of P19,812,546, the inclusion of road lots and creek lots with a total value of P35,000,000, and the lack of a relocation survey.[20]

In an Order dated 22 August 2005 (Order), the Ombudsman denied the Motion for Reconsideration for lack of merit.[21] The Ombudsman held that the various actions performed by Mayor Lajara in connection with the purchase of the lots were all authorized by the Sangguniang Panlungsod as manifested in the numerous resolutions. With such authority, it could not be said that there was evident bad faith in purchasing the lands in question. The lack of ratification alone did not characterize the purchase of the properties as one that gave unwarranted benefits to Pamana or Prudential Bank or one that caused undue injury to Calamba City.[22]

On the alleged overpricing of the lots covered by TCT Nos. 61703 and 66140, the Ombudsman ruled that it could be discerned from Fr. Sulpico's affidavit that the said parcels of land were excluded from the offer, being creek easement lots.[23]

On the lots covered by TCT Nos. 66141, 66142, and 66143, the Ombudsman resolved that new titles were issued in the name of Pamana with PSEDC as the former registered owner.[24]

The Ombudsman finally declared that the absence of a relocation survey did not affect the validity of the subject transactions.[25]

Petitioner contended that the assailed Ombudsman's Resolution and Order discussed only the alleged reasonableness of the price of the property. The Ombudsman did not consider the issue that Calamba City paid for lots that were either easement/creeks, road lots or access roads. Petitioner alleged that it is erroneous to conclude that the price was reasonable because Calamba City should not have paid for the creeks, road lots and access roads at the same price per square meter. Petitioner claimed that the additional evidence of overpricing was a letter from Fr. Sulpico who offered the road lots covered by TCT Nos. 61703 and 66140 at P300[26] per square meter.[27]

In their Comment, Mayor Lajara and Baroro (respondents) argued that as frequently ruled by this Court, it is not sound practice to depart from the policy of non-interference in the Ombudman's exercise of discretion to determine whether to file an information against an accused. In the assailed Resolution and Order, the Ombudsman stated clearly and distinctly the facts and the law on which the case was based and as such, petitioner had the burden of proving that grave abuse of discretion attended the issuance of the Resolution and Order of the Ombudsman. Respondents maintained that in a meager three pages of argumentation, petitioner failed to point out

the grave errors in the assailed Resolution and merely raised issues which have been disposed of by the Ombudsman.[28]

Respondents claimed that out of the six PSEDC-owned lots that were sold to Calamba City, the ownership of the four lots had already been transferred to Pamana as evidenced by the new TCTs. Respondents added that even if TCT Nos. 66140 and 61703 were still in PSEDC's name, ownership of these lots had been transferred to Pamana as confirmed by Fr. Sulpico, the custodian of all the assets of the Dominican Province of the Philippines.[29] Respondents also refuted the alleged overpricing of the lots covered by TCT Nos. 66140 and 61703. Respondents contended that Fr. Sulpico's letter offering the lots at P350[30] per square meter had been superseded by his own denial of said offer during the meeting of the Sangguniang Panlungsod on 14 November 2002.[31]

On the absence of ratification by the City Council of the MOA, Deed of Sale, Deed of Mortgage, and Deed of Assignment, respondents explained that Section 22[32] of Republic Act No. 7160 (RA 7160) spoke of prior authority and not ratification. Respondents pointed out that petitioner did not deny the fact that Mayor Lajara was given prior authority to negotiate and sign the subject contracts. In fact, it was petitioner who made the motion to enact Resolution No. 280.[33]

On the non-conduct of a relocation survey, respondents noted that while a relocation survey may be of use in determining which lands should be purchased, the absence of a relocation survey would not, in any manner, affect the validity of the subject transactions.[34]

The Ombudsman, as represented by the Office of the Solicitor General, claimed that there was no grave abuse of discretion committed in dismissing the complaint-affidavit for violation of Section 3(e) of RA 3019.[35] The Ombudsman reasoned that to warrant conviction under Section 3(e) of RA 3019, the following essential elements must concur: (a) the accused is a public officer discharging administrative, judicial, or official functions; (b) he must have acted with manifest partiality, evident bad faith, or inexcusable negligence; and (c) his action caused undue injury to any party, including the government, or gave any private party unwarranted benefits, advantage, or preference in the discharge of his functions.[36] The Ombudsman contended that when Mayor Lajara entered into and implemented the subject contracts, he complied with the resolutions issued by the City Council.

The Ombudsman cites the following circumstances to show that the action taken by Mayor Lajara neither caused any undue injury to Calamba City nor gave a private party any unwarranted benefits, advantage, or preference. First, the purchase price of P3,800 per square meter or a total of P129,017,600 for the site of the new City Hall was reasonable. The initial offer of the seller for the property was P6,000 per square meter, an amount equal to the zonal value. Second, Calamba City took immediate possession of the properties despite an initial payment of only P10,000,000 out of the total purchase price. Third, the total purchase price was paid under liberal terms as it was paid in installments for one year from date of purchase. Fourth, the parties agreed that the last installment of P25,000,000 was subject to the condition that titles to the properties were first transferred to Calamba City.[37]

In its Memorandum, the Ombudsman asserted that petitioner had not substantiated his claim by clear and convincing evidence that TCT Nos. 66141, 66142, and 66143 are road lots. The sketch plan presented by petitioner could not be regarded as conclusive evidence to support his claim. The Ombudsman also refuted petitioner's claim that TCT Nos. 68601 and 68603 were included in the Deed of Sale.[38]

The Ombudsman maintained that petitioner's contention that the prices for TCT Nos. 66140 and 61703 were jacked up was belied by the affidavit of Fr. Sulpico stating that the said lots were excluded from the offer as they were creek/easement lots.[39]

The Ombudsman explained that ratification by the City Council was not a condition sine qua non for the local

chief executive to enter into contracts on behalf of the city. The law requires prior authorization from the City Council and in this case, Resolution Nos. 115 and 280 were the City Council's stamp of approval and authority for Mayor Lajara to purchase the subject lots.[40]

The Ombudsman added that mandamus is not meant to control or review the exercise of judgment or discretion. To compel the Ombudsman to pursue a criminal case against respondents is outside the ambit of the courts.[41]

Aggrieved by the Ombudman's Resolution and Order, petitioner elevated the case before this Court.

Hence, this petition.

The Issues

The issues in this petition are:

- Whether the Ombudsman committed grave abuse of discretion amounting to lack or excess of jurisdiction when the Ombudsman dismissed for lack of probable cause the case against respondents for violation of Section 3(e) of RA 3019;

- Whether the Ombudsman committed grave abuse of discretion amounting to lack or excess of jurisdiction when the Ombudsman failed to consider the issue that Calamba City had acquired road lots which should not have been paid at the same price as the other lots; and

- Whether all the documents pertaining to the purchase of the lots should bear the ratification by the City Council of Calamba.

The Ruling of the Court

On the determination of probable cause by the Ombudsman
and the grave abuse of discretion in the acquisition of road lots

The mandate of the Office of the Ombudsman is expressed in Section 12, Article XI of the Constitution which states:

> Sec. 12. The Ombudsman and his Deputies, as protectors of the people, shall act promptly on complaints filed in any form or manner against public officials or employees of the Government, or any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations, and shall, in appropriate cases, notify the complainants of the action taken and the result thereof.

Section 13, Article XI of the Constitution vests in the Office of the Ombudsman the following powers, functions, and duties:

Sec. 13. The Office of the Ombudsman shall have the following powers, functions, and duties:

> (1) Investigate on its own, or on complaint by any person, any act or omission of any public official, employee, office or agency, when such act or omission appears to be illegal, unjust, improper, or inefficient.
>
> (2) Direct, upon complaint or at its own instance, any public official or employee of the government, or any subdivision, agency or instrumentality thereof, as well as of any government-owned or controlled corporation with original charter, to perform and expedite any act or duty required by law, or to stop, prevent, and correct any abuse or impropriety in the performance of duties.
>
> (3) Direct the officer concerned to take appropriate action against a public official or employee at fault, and recommend his removal, suspension, demotion, fine, censure, or prosecution, and ensure compliance therewith.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> (4) Direct the officer concerned, in any appropriate case, and subject to such limitations as may be provided by law, to furnish it with copies of documents relating to contracts or transactions entered into by his office involving the disbursement or use of public funds or properties, and report any irregularity to the Commission on Audit for appropriate action.
>
> (5) Request any government agency for assistance and information necessary in the discharge of its responsibilities, and to examine, if necessary, pertinent records and documents.
>
> (6) Publicize matters covered by its investigation when circumstances so warrant and with due prudence.
>
> (7) Determine the causes of inefficiency, red tape, mismanagement, fraud, and corruption in the government, and make recommendations for their elimination and the observance of high standards of ethics and efficiency.
>
> (8) Promulgate its rules of procedure and exercise such other powers or perform such functions or duties as may be provided by law. (Boldfacing supplied)

Republic Act No. 6770 (RA 6770), or the Ombudsman Act of 1989, granted the Office of the Ombudsman full administrative authority. Section 13 of RA 6770 restates the mandate of the Office of the Ombudsman:

> Sec. 13. Mandate. - The Ombudsman and his Deputies, as protectors of the people, shall act promptly on complaints filed in any form or manner against officers or employees of the government, or of any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations, and enforce their administrative, civil and criminal liability in every case where the evidence warrants in order to promote efficient service by the Government to the people.

Section 15(1) of RA 6770 substantially reiterates the investigatory powers of the Office of the Ombudsman:

Sec. 15. Powers, Functions and Duties. - The Office of the Ombudsman shall have the following powers, functions and duties:

> (1) Investigate and prosecute on its own or on complaint by any person, any act or omission of any public officer or employee, office or agency, when such act or omission appears to be illegal, unjust, improper or inefficient. It has primary jurisdiction over cases cognizable by the Sandiganbayan and, in the exercise of his primary jurisdiction, it may take over, at any stage, from any investigatory agency of government, the investigation of such cases;

Jurisprudence explains that the Office of the Ombudsman is vested with the sole power to investigate and prosecute, motu proprio or on complaint of any person, any act or omission of any public officer or employee, office, or agency when such act or omission appears to be illegal, unjust, improper, or inefficient.[42] The Ombudsman's power to investigate and to prosecute is plenary and unqualified.[43]

The Ombudsman has the discretion to determine whether a criminal case, given its attendant facts and circumstances, should be filed or not. The Ombudsman may dismiss the complaint should the Ombudsman find the complaint insufficient in form or substance, or the Ombudsman may proceed with the investigation if, in the Ombudsman's view, the complaint is in due form and substance.[44] Hence, the filing or non-filing of the information is primarily lodged within the "full discretion" of the Ombudsman.[45]

This Court has consistently adopted a policy of non-interference in the exercise of the Ombudsman's constitutionally mandated powers. The Ombudsman, which is "beholden to no one, acts as the champion of the people and the preserver of the integrity of the public service."[46] However, this Court is not precluded from reviewing the Ombudsman's action when there is grave abuse of discretion, in which case the certiorari jurisdiction of the Court may be exceptionally invoked pursuant to Section 1, Article VIII of the Constitution.[47] We have enumerated instances where the courts may interfere with the Ombudsman's investigatory powers:

(a) To afford protection to the constitutional rights of the accused;

(b) When necessary for the orderly administration of justice or to avoid oppression or multiplicity of actions;

(c) When there is a prejudicial question which is sub judice;

(d) When the acts of the officer are without or in excess of authority;

(e) Where the prosecution is under an invalid law, ordinance or regulation;

(f) When double jeopardy is clearly apparent;

(g) Where the court has no jurisdiction over the offense;

(h) Where it is a case of persecution rather than prosecution;

(i) Where the charges are manifestly false and motivated by the lust for vengeance.[48]

These exceptions are not present in this case. However, petitioner argues that the assailed Resolution of the Ombudsman dwelt only on the alleged reasonableness of the price of the property. Petitioner claims that the Resolution did not pass upon the more serious issue that Calamba City had paid for several lots that the City should not have paid for because they were road lots.

The Ombudsman, in issuing the assailed Resolution, found no probable cause to hold any of the respondents liable for violation of Section 3(e) of RA 3019. The Ombudsman found that the subject lots were bought at P3,800 per square meter, an amount lower than their zonal valuation of P6,000 per square meter.

Based on this computation, Calamba City paid for a total area of 33,952 square meters[49] instead of the original 55,000 square meters as authorized in the City Council's Resolution No. 280, Series of 2001. Contrary to petitioner's allegation that Lot 5 with an area of 3,062 square meters and Lot 8 with an area of 3,327 square meters are easement/creeks and road lot respectively,[50] the sketch plan[51] submitted by petitioner as Annex L in his Affidavit-Complaint and the TCTs[52] of the properties indicate that these are parcels of land.

A perusal of the records shows that the findings of fact by the Ombudsman are supported by substantial evidence. As long as substantial evidence supports it, the Ombudsman's ruling will not be overturned.[53] Petitioner, in arguing that the Ombudsman committed grave abuse of discretion, raises questions of fact. This Court is not a trier of facts, more so in the extraordinary writ of certiorari where neither questions of fact nor even of law are entertained, but only questions of lack of jurisdiction or grave abuse of discretion can be raised.[54] The rationale behind this rule is explained in this wise:

> The rule is based not only upon respect for the investigatory and prosecutory powers granted by the Constitution to the Office of the Ombudsman but upon practicality as well. Otherwise, the functions of the courts will be grievously hampered by innumerable petitions assailing the dismissal of investigatory proceedings conducted by the Office of the Ombudsman with regard to complaints filed before it, in much the same way that the courts would be extremely swamped if they could be compelled to review the exercise of discretion on the part of the fiscals or prosecuting attorneys each time they decide to file an information in court or dismiss a complaint by a private complainant.[55]

In this case, the Ombudsman dismissed petitioner's complaint for lack of probable cause based on the Ombudsman's appreciation and review of the evidence presented. In dismissing the complaint, the Ombudsman did not commit grave abuse of discretion.

Probable cause is defined as the existence of such facts and circumstances as would excite the belief in a reasonable mind, acting on the facts within the knowledge of the prosecutor, that the person charged was guilty of

the crime for which he was prosecuted.[56] Probable cause need not be based on clear and convincing evidence of guilt, or on evidence establishing guilt beyond reasonable doubt, and definitely not on evidence establishing absolute certainty of guilt, but it certainly demands more than bare suspicion and can never be left to presupposition, conjecture, or even convincing logic.[57]

In Rubio v. Ombudsman,[58] this Court held that what is contextually punishable under Section 3(e) of RA 3019 is the act of causing any undue injury to any party, or the giving to any private party unwarranted benefits, advantage or preference in the discharge of the public officer's functions. In this case, after evaluating the evidence presented,[59] the Ombudsman categorically ruled that there was no evidence to show actual injury or damage to the city government to warrant the indictment of respondents for violation of Section 3(e) of RA 3019. Further, this Court held in Pecho v. Sandiganbayan,[60] that "causing undue injury to any party, including the government, could only mean actual injury or damage which must be established by evidence." Here, the Ombudsman found that petitioner had not substantiated his claim against respondents for the crime charged. This Court is not inclined to interfere with the evaluation of the evidence presented before the Ombudsman.

We reiterate the rule that courts do not interfere in the Ombudsman's exercise of discretion in determining probable cause unless there are compelling reasons. The Ombudsman's finding of probable cause, or lack of it, is entitled to great respect absent a showing of grave abuse of discretion. Besides, to justify the issuance of the writ of certiorari on the ground of abuse of discretion, the abuse must be grave, as when the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and it must be so patent as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined, or to act at all, in contemplation of law, as to be equivalent to having acted without jurisdiction.[61]

On the ratification by the City Council of all
documents pertaining to the purchase of the lots

Petitioner contends that all the documents, like the Memorandum of Agreement, Deed of Sale, Deed of Mortgage, and Deed of Assignment, do not bear the ratification by the City Council.

In the assailed Order, the Ombudsman held that the various actions performed by Mayor Lajara in connection with the purchase of the lots were all authorized by the Sangguniang Panlungsod as manifested in numerous resolutions. The lack of ratification alone does not characterize the purchase of the properties as one that gave unwarranted benefits.

In its Memorandum submitted before this Court, the Ombudsman, through the Office of the Solicitor General, pointed out that the ratification by the City Council is not a condition sine qua non for the local chief executive to enter into contracts on behalf of the city. The law requires prior authorization from the City Council and in this case, Resolution No. 280 is the City Council's stamp of approval and authority for Mayor Lajara to purchase the subject lots.

Section 22(c), Title I of RA 7160, otherwise known as the Local Government Code of 1991, provides:

> Section 22. Corporate Powers. - x x x
>
> (c) Unless otherwise provided in this Code, no contract may be entered into by the local chief executive in behalf of the local government unit without prior authorization by the sanggunian concerned. A legible copy of such contract shall be posted at a conspicuous place in the provincial capitol or the city, municipal or barangay hall. (Boldfacing and underscoring supplied)

Section 455, Title III of RA 7160 enumerates the powers, duties, and compensation of the Chief Executive. Specifically, it states that :

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> Section 455. Chief Executive: Powers, Duties and Compensation. - x x x
>
> (b) For efficient, effective and economical governance the purpose of which is the general welfare of the city and its inhabitants pursuant to Section 16 of this Code, the city mayor shall:
> x x x
>
> (vi) Represent the city in all its business transactions and sign in its behalf all bonds, contracts, and obligations, and such other documents upon authority of the sangguniang panlungsod or pursuant to law or ordinance; (Boldfacing and underscoring supplied)

Clearly, when the local chief executive enters into contracts, the law speaks of prior authorization or authority from the Sangguniang Panlungsod and not ratification. It cannot be denied that the City Council issued Resolution No. 280 authorizing Mayor Lajara to purchase the subject lots.

Resolution No. 280 states:

> RESOLUTION NO. 280
> Series of 2001
>
> A RESOLUTION AUTHORIZING THE CITY MAYOR OF CALAMBA, HON. SEVERINO J. LAJARA TO PURCHASE LOTS OF PAMANA INC. WITH A TOTAL AREA OF FIFTY FIVE THOUSAND SQUARE METERS (55,000 SQ. M.) SITUATED AT BARANGAY REAL, CITY OF CALAMBA FOR A LUMP SUM PRICE OF ONE HUNDRED TWENTY NINE MILLION SEVENTEEN THOUSAND SIX HUNDRED PESOS (P129,017,600), SUBJECT TO THE AVAILABILITY OF FUNDS, AND FOR THIS PURPOSE, FURTHER AUTHORIZING THE HON. MAYOR SEVERINO J. LAJARA TO REPRESENT THE CITY GOVERNMENT AND TO EXECUTE, SIGN AND DELIVER SUCH DOCUMENTS AND PAPERS AS MAYBE SO REQUIRED IN THE PREMISES.
>
> WHEREAS, the City of Calamba is in need of constructing a modern City Hall to adequately meet the requirements of governing new city and providing all adequate facilities and amenities to the general public that will transact business with the city government.
>
> WHEREAS, as the City of Calamba has at present no available real property of its own that can serve as an appropriate site of said modern City Hall and must therefore purchase such property from the private sector under terms and conditions that are most beneficial and advantageous to the people of the City of Calamba;
>
> NOW THEREFORE, on motion of Kagawad S. VERGARA duly seconded by Kagawad R. HERNANDEZ, be it resolved as it is hereby resolved to authorize the City Mayor of Calamba, Hon. Severino J. Lajara to purchase lots of Pamana, Inc. with a total area of fifty five thousand square meters (55,000 sq.m.) situated at Barangay Real, City of Calamba for a lump sum price of One Hundred Twenty Nine Million Seventeen Thousand Six Hundred Pesos (P129,017,600) subject to the availability of funds, and for this purpose, further authorizing the Hon. Mayor Severino J. Lajara to represent the City Government and to execute, sign and deliver such documents and papers as maybe so required in the premises.[62] (Emphasis supplied)

As aptly pointed out by the Ombudsman, ratification by the City Council is not a condition sine qua non for Mayor Lajara to enter into contracts. With the resolution issued by the Sangguniang Panlungsod, it cannot be said that there was evident bad faith in purchasing the subject lots. The lack of ratification alone does not characterize the purchase of the properties as one that gave unwarranted benefits to Pamana or Prudential Bank or one that caused undue injury to Calamba City.

In sum, this Court has maintained its policy of non-interference with the Ombudsman's exercise of its investigatory and prosecutory powers in the absence of grave abuse of discretion, not only out of respect for these constitutionally mandated powers but also upon considerations of practicality owing to the myriad functions of

the courts.[63] Absent a clear showing of grave abuse of discretion, we uphold the findings of the Ombudsman.

WHEREFORE, we DISMISS the petition. We AFFIRM the Resolution and Order of the Ombudsman in OMB-L-C-02-1205-L dated 17 March 2004 and 22 August 2005, respectively.

SO ORDERED.

Quisumbing, Acting C.J., Ynares-Santiago, Austria-Martinez, Corona, Carpio Morales, Tinga, Chico-Nazario, Velasco, Jr., Nachura,
Leonardo-De Castro, Brion, and Peralta, JJ., concur.
Puno, C.J., on official leave.

---

[1] Under Rule 65 of the Rules of Court.

[2] Rollo, pp. 113-132. Penned by Graft Investigation & Prosecution Officer II Eriberto E. Cruz III, concurred in by Director Joaquin F. Salazar. Hon. Victor C. Fernandez, Deputy Ombudsman for Luzon, gave his recommending approval and Hon. Simeon V. Marcelo, Tanodbayan (Ombudsman), approved the recommendation.

[3] Id. at 146-155. Penned by Graft Investigation & Prosecution Officer II Joy N. Casihan-Dumlao, concurred in by Director Joaquin F. Salazar. Deputy Ombudsman for Luzon Victor C. Fernandez gave his recommending approval and Ombudsman Ma. Merceditas N. Gutierrez approved the recommendation.

[4] Id. at 21-22, 31.

[5] Id. at 5.

[6] Id. at 22.

[7] Id. at 5.

[8] Id. at 22.

[9] Id. at 36-39.

[10] The Deed of Assignment, issued in favor of Pamana, was signed on 21 November 1986 by Rev. Fr. Efren Rivera as Chairman of the PSEDC's Board. A copy of the Deed of Assignment was faxed to the City Government last 3 December 2001.

[11] Rollo, pp. 301-303.

[12] Id. at 303.

[13] Id. at 79, 303-304.

[14] Id. at 304.

[15] Id. at 305.

[16] Id.

[17] Id. at 128. The Resolution was approved by Ombudsman Marcelo on 12 August 2004.

[18] Id. at 129.

[19] Id. at 129-130.

[20] Id. at 139-144.

[21] Id. at 146-155. The Order was approved by Ombudsman Gutierrez on 25 August 2006.

[22] Id. at 151-152.

[23] Id. at 152.

[24] Id.

[25] Id. at 152-153.

[26] Id. at 79. In a letter dated 20 September 2002 and addressed to petitioner as City Councilor, Fr. Sulpico offered the lots at P300 per square meter.

[27] Id. at 307-310.

[28] Id. at 172-176.

[29] Id. at 331-332.

[30] Id. at 197. In a letter dated 5 November 2002 addressed to Mayor Lajara as City Mayor, Fr. Sulpico offered the lots at P350 per square meter.

[31] Id. at 177-178, 189-194.

[32] Sec. 22(c). Unless otherwise provided in this Code, no contract may be entered into by the local chief executive in behalf of the local government unit without prior authorization by the sangguniang concered.

[33] Rollo, pp. 178-179.

[34] Id. at 342-343.

[35] Id. at 369.

[36] Id. at 370-371.

[37] Id. at 372-373.

[38] Id. at 373-374.

[39] Id. at 375.

[40] Id. at 376.

[41] Id. at 378, 380.

[42] Trinidad v. Office of the Ombudsman, G.R. No. 166038, 4 December 2007, 539 SCRA 415, 423.

[43] Schroeder v. Saldevar, G.R. No. 163656, 27 April 2007, 522 SCRA 624, 630.

[44] Presidential Commission on Good Government v. Desierto, G.R. No. 139296, 23 November 2007, 538 SCRA 207, 215-216.

[45] Republic v. Desierto, G.R. No. 135123, 22 January 2007, 512 SCRA 57, 63.

[46] Quiambao v. Hon. Desierto, 481 Phil. 852, 867 (2004).

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[47] Crucillo v. Office of the Ombudsman, G.R. No. 159876, 26 June 2007, 525 SCRA 636, 653.

[48] Redulla v. Sandiganbayan, G.R. No. 167973, 28 February 2007, 517 SCRA 110, 118-119.

[49] Rollo, pp. 43-57. The subject lots covered by the purchase were as follows:

- TCT No. 159893 - 3,441 sq.m.
- TCT No. 159894 - 2,084 sq.m.
- TCT No. 159895 - 3,062 sq.m.
- TCT No. 159896 - 2,057 sq.m.
- TCT No. 159897 - 3,327 sq.m.
- TCT No. 158598 - 5,797 sq.m.
- TCT No. 162412 - 2,321 sq.m.
- TCT No. 162413 - 1,363 sq.m.
- TCT No. 204488 - 10,500 sq.m.

Total area = 33,952 sq.m.

[50] Id. at 307.

[51] Id. at 81 and 158.

[52] Id. at 45 and 47.

[53] Republic v. Desierto, supra note 45 at 68.

[54]Cruz, Jr. v. People, G.R. No. 110436, 27 June 1994, 233 SCRA 439, 459.

[55] Republic v. Desierto, supra note 45 at 68.

[56] De Chavez v. Office of the Ombudsman, G.R. Nos. 168830-31, 6 February 2007, 514 SCRA 638, 653.

[57] R.R. Paredes v. Calilung, G.R. No. 156055, 5 March 2007, 517 SCRA 369, 398.

[58] Rubio v. Ombudsman, G.R. No. 171609, 17 August 2007, 530 SCRA 649, 656.

[59] The Ombudsman found out that the subject properties have been transferred and are now registered in the name of Calamba City under new Certificates of Title. The reasonableness of the purchase price for the subject lots could be deduced from the fact that Calamba City bought them at P3,800 per square meter, an amount lower than its zonal valuation pegged at P6,000 per square meter. The Ombudsman added that it is common knowledge that the fair market value of the lots is higher than its zonal valuation, yet the lots were acquired only at a lower price. The Ombudsman also ascertained that the terms and conditions of payment were neither onerous nor burdensome to the city government as it was able to immediately take possession of the lots even if it had paid only less than ten percent of the contract price and was even relieved from paying interests on the installment payments.

[60] G.R. No. 111399, 14 November 1994, 238 SCRA 116, 133.

[61] San Miguel Corporation v. Sandiganbayan, 394 Phil. 608, 636-637 (2000).

[62] Rollo, p. 95.

[63] Trinidad v. Office of the Ombudsman, supra note 42.

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.