UNITED DUMANGAS PORT DEVELOPMENT CORPORATION, PETITIONER, VS. PHILIPPINE PORTS AUTHORITY, ATTY. OSMAR M. SEVILLA, GENERAL MANAGER, ATTY. FERNANDO B. CLAVERINA, PORT MANAGER, POR...

G.R. No. 192943. August 12, 2015

Ponente: PERALTA, J.

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PERALTA, J.:

Before the Court is a petition for review on certiorari under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[1] and Resolution,[2] dated December 4, 2009 and July 1, 2010, respectively, of the Court Appeals (CA) in CA-G.R. SP No. 03293.

The antecedent facts are as follows:

On December 1, 2000, respondent Philippine Ports Authority (PPA) granted petitioner United Dumangas Port Development Corporation (UDPDC) a permit to operate the cargo handling services at the Port of valid for one (1) year.[3] Thereafter, PPA issued UDPDC several holders authorities to continue its services thereon. On May 28, 2003, PPA granted UDPDC a three (3)-month extension from June 1, 2003 to August 31, 2003. UDPDC, however, continued its operations even after the extension.[4] Meanwhile, on July 14, 2005, PPA conducted a public bidding for the cargo handling services at the port wherein UDPDC did not participate despite notice.[5] When the winning bidder was selected, the losing bidder filed an action, docketed as CA-G.R. SP No. 92950, to set aside the result of the public bidding.

On October 27, 2005, PPA served a notice upon UDPDC through PPA Memorandum Order No. 43-2005 stating that it will be taking over the cargo handling services at the port beginning on November 15, 2005. A day before the take-over, however, UDPDC sent PPA a letter-protest assailing the termination of their services.[6]

On November 18, 2005, UDPDC filed before the Regional Trial Court (RTC) of Dumangas, Iloilo, Branch 68, an Amended Petition[7] for Certiorari and Prohibition with Prayer for the Issuance of Temporary Restraining Order and Writ of Preliminary Injunction challenging the PPA Memorandum Order No. 43-2005 and seeking an injunction against its implementation, docketed as Special Civil Action Case No. 05-024.

After granting the prayer for the issuance of a temporary restraining order, the RTC, in its Order[8] dated December 5, 2005, issued a writ of preliminary injunction restraining the PPA from taking over the cargo handling operations until further orders. In a Resolution[9] dated March 17, 2005, however, the trial court lifted the writ of preliminary injunction and dismissed the petition filed by UDPDC, agreeing with PPA's stance that as far as it was concerned, UDPDC's continued operation of the port was merely by its tolerance, having no valid and existing permit, and that UDPDC's status was merely on the basis of a holdover authority, temporary in nature, which may he recalled by PPA at any time.[10]

On March 27, 2006, UDPDC moved for the reconsideration of the dismissal of its petition.[11] Thereafter, on

March 29, 2006, the Municipality of Dumangas (MOD) filed a Petition-in-Intervention[12] pursuant to a Memorandum of Agreement[13] (MOA) entered into by respondent PPA, Project Management Office-Ports (PMO), Department of Transportation and Communications (DOTC), and Department of Interior and Local Government (DILG) on June 30, 1999 wherein the parties signified their commitment to strengthen the capability of Local Government Units (LGUs) to a planned and desirable sustainable feeder ports operation as well as PPA Administrative Order No, 02-98[14] dated August 31, 1998 which provided for the devolution of port management functions from the PPA to the LGUs concerned.[15] According to MOD, they already underwent training courses on feeder port operation and management at the PPA Training Center in preparation for the eventual transfer of the operation and management of the Dumangas Port thereto and as mandated by the Social Reform Related Feeders Port Development Project under the MOA. However, PPA, in taking over the Dumangas Port and conducting a public bidding for the management of the same, abandoned its duties arising from the MOA to support the port development project and to tum-over the operation of feeder or municipal ports to their respective LGUs.[16] Respondent PPA countered that pursuant to Executive Order (EO) No. 171,[17] promulgated on October 25, 1999, it rightfully had administrative jurisdiction over the expanded Dumangas Port Zone for the proper zoning, planning, development and utilization of the port.[18]

On March 16, 2007, the RTC issued an Order[19] agreeing with UDPDC's assertion that instead of dismissing its petition, the trial court should have conducted a hearing to determine the issue of whether UDPDC could effectively be deprived of the equipment, facilities, properties and improvements it introduced on the Dumangas Port as a result of PPA's take- over without due process of law and payment of just compensation. As to MOD's intervention, the RTC found that since the MOD had a valid legal interest in the matter in litigation which may be adversely affected, its intervention is proper. Thus, the trial court ordered the parties to file their respective memoranda.

On May 18, 2007, the RTC rendered a Decision[20] finding that UDPDC has no more right to continue its operations at the port after the expiration of the series of extensions granted to it for it was allowed to do so by mere tolerance of PPA. However, it recognized that in the process of its operations, UDPDC had purchased heavy equipment and facilities and had introduced considerable improvements necessary for the efficient and effective operations therein. Thus, as law and equity demands, UDPDC should be reimbursed therefor because to allow the take-over of operations in the port without reimbursement would result in unjust enrichment at the expense of UDPDC.[21] The trial court also noted the need for a hearing to determine the amount of equipment and improvements to be reimbursed and to give the parties a chance to present evidence in support of their respective claims.[22]

As to the claims of intervenor MOD, the RTC ruled that while President Joseph Ejercito Estrada had issued EO No. 171 on October 25, 1999 declaring the Dumangas Port Zone to be under the administration of the PPA, this was effectively rescinded by DOTC Department Order No. 2002-18 issued on April 15, 2002 entitled "Effecting the Direct Tum-Over of Completed Port Projects Implemented Under the Foreign-Assisted Nationwide Feeder Ports Development Program (NFPDP) to the Local Government Units" under the new administration of President Gloria Macapagal Arroyo. This is because according to the RTC, the official act of the DOTC Secretary in issuing said Department Order was deemed as an act of the President pursuant to the principle of qualified political agency.[23] It is presumed that the action of the Secretary bears the implied sanction of the President absent any act subsequently made setting aside, disapproving or reprobating such department order of then DOTC Secretary.[24] Thus, the mandate of DOTC Department Order No. 2002-18 to tum-over the Dumangas Port to MOD is controlling, having effectively rescinded EO No. 171. The RTC added that under the law, MOD enjoys a privileged position in terms of enhancing the principles of decentralization which provides adequate resources to LGUs to effectively carry out their functions and discharge their power to create and broaden their own sources of

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revenue and right to a just share in the proceeds of the national wealth within their respective areas. Moreover, under the Rules of Interpretation under Republic Act (RA) No. 7160 of the Local Government Code (LGC) of 1991, any provision on a power of an LGU shall be liberally interpreted in its favor.[25] There is therefore no basis for the PPA to take over the operation of the cargo handling services at the Dumangas Port.

In view of the foregoing, the trial court ruled as follows:

> WHEREFORE, finding the Amended Petition dated November 17, 2005 of the United Dumangas Port Development Corporation (UDPDC) without merit, the same is hereby dismissed. On the other hand, finding the Complaint-in-Intervention and Supplemental Complaint-in- Intervention of the Intervenor Municipality with merit, the same is granted. Thus, UDPDC is hereby ordered to deliver to the Intervenor Municipality of Dumangas, Iloilo the operation of the cargo handling services of the Port of Dumangas, after the Intervenor has reimbursed the UDPDC of the value of its development and improvements introduced in the Port and the value of its infrastructures and equipment used in the operation of the Port.
>
> SO ORDERED.

PPA appealed from the aforequoted Decision via Notice of Appeal[26] dated June 15, 2007. Consequently, PPA, UDPDC and MOD were required to submit their respective memoranda in support of their positions.

On March 4, 2009, PPA and MOD submitted a Compromise Agreement[27] they executed on December 3, 2008, which pertinently provides:

> WHEREAS, all costs of development and improvements introduced in the port of Dumangas were made by the national government and PPA;
>
> WHEREAS, the LGU, in a letter to the PPA's General Manager dated 09 August 2007, inquired on the estimated value of the development and improvements introduced in the port of Dumangas and its estimated value of the infrastructure introduced and equipment used in its operation as outlined in the foregoing Decision;
>
> WHEREAS, the PPA gave the total amount for the development and improvement introduced in the port of Dumangas as well as the infrastructures and equipment used in its operation at more or less PHP 111,930,282.28. (Annexes "B" & "C");
>
> WHEREAS, in Sangguniang Bayan Resolution No. 2008-14, the LGU: (a) acknowledged that it has no financial capacity to reimburse the PPA the amount aforestated; (b) recognized that the PPA has the expertise and capacity to operate on its own, by contract or otherwise administer the port of Dumangas in line with the latter's specific mandate; and (c) authorized the Hon. Mayor Ronaldo B. Golez to enter into a compromise agreement with the PPA for the purpose of furthering the interests of the LGU and its constituents;
>
> NOW, THEREFORE, in consideration of all the foregoing premises and of the stipulations, covenants and agreements, hereinafter set forth, the parties hereby mutually agree, as follows:
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> 1. The PPA shall continue to administer the port of Dumangas in Iloilo under Presidential Decree No. 857, as amended, Executive Order No. 171, Series of 1999, its policies, rules and regulations;
>
> 2. The LGU shall respect and honor any existing award, permit, contract or authority issued or to be issued by the PPA involving the operation and management of any services in the port of Dumangas;
>
> 3. The LGU, under such terms and conditions as may be mutually agreed upon by the parties, may manage and operate the port of Dumangas or jointly undertake projects and/or activities for the mutual benefit of both parties, the port users and the general public, subject to PPA's existing and applicable policies, rules and regulations;

> 4. The parties hereby waive their respective claims/ counterclaims against each other and shall jointly undertake the approval of this Compromise Agreement by the proper court;
>
> 5. This Compromise Agreement fully settles the claims of the parties against each other to their mutual satisfaction. Said agreement may be pleaded as an absolute and final bar to suit or suits or legal proceedings that may hereafter be initiated by either party, their assigns or subrogees, or anyone claiming by, through, or under them, against each other arising or relating to the transaction subject matter of the abovementioned case; x x x[28]

UDPDC objected to the admission of the Compromise Agreement for its failure to provide for the reimbursement of its improvements as ordered by the trial court in its May 18, 2007 Decision.[29] It also alleged that the same was ultra vires for it was not approved by the Provincial Government of Iloilo and the Provincial Legal Office. The Provincial Legal Officer of Iloilo as MOD's counsel of record similarly objected to the Compromise Agreement on the ground that he was not informed nor was his permission sought before the execution of the same.[30] He alleged that Provincial Prosecutor Bernabe D. Dusaban was unauthorized to act as counsel and represent MOD in the Urgent Joint Motion for Approval of the Compromise Agreement. He further alleged that the purported Sangguniang Bayan Resolution No. 2008-14 of the MOD did not comply with the requirements of the LGC, particularly, Sections 55[31] and 56[32] thereof.

In its Decision dated December 4, 2009, the CA upheld the validity of the Compromise Agreement in the following wise:

> The issues before this Court anPPA's arguments on appeal as contained in its memorandum. This must be so because neither MOD not UDPDC appealed the court a quo's Decision. Hence, as to them, they can no longer assail the Decision.
>
> PPA's memorandum argued: (a) MOD's intervention was filed late; (b) PPA was denied due process when it was not afforded an opportunity to file an answer to the MOD's petition-in-intervention; and (c) the MOD had no right to take over and manage the Port of Dumangas. PPA asked that it be declared the "appropriate agency to take over the operation of the cargo handling services of the Port of Dumangas" and the dismissal of UDPDC's petition be reinstated in toto. However, these arguments against MOD became moot when the latter and PPA executed a "Compromise Agreement" between them.
>
> This Court sees nothing essentially wrong with the "Compromise Agreement" because it settles only the claims as between PPA and MOD. The matter of reimbursement remains outstanding in UDPDC's favor. But as agreed between PPA and MOD, the same must be settled by PPA - this must be so because MOD's principal motivation in seeking the "Compromise Agreement" was that it could not afford to pay for the facilities introduced in the Port of Dumangas, as unambiguously stated in the "Whereas" clause thereof. Clearly, the issue of reimbursement, as it is still alive, was shifted to PPA to resolve. While on this issue, there being allegations that the facilities at the Port of Dumangas were spent for by the national government and PPA itself, and there being a prayer by PPA that this Court dismiss outright UDPDC's petition, it behooves this Court to remand the instant case to the court a quo for a categorical declaration on two (2) essential points: (a) as to whose provenance the improvements at the Port of Dumangas should be rightfully credited: and (b) as to how much these facilities are worth for purposes of reimbursement, if at all.
>
> The idea of settling cases on appeal is not at all unheard of, much less, irregular. After all, the stress on mediation and judicial dispute resolution on appeal has been one of the Supreme Court's programs on judicial reform. With a "Compromise Agreement" on the line that settles this case with two (2) of the principal protagonists emerging winners, and the third one not prejudiced as regards its rights and should also be therefore happy, this Court can do no less but approve it and cut-short the instant litigation.[33]

As to the objections of the Provincial Legal Officer of Iloilo, the appellate court found the same to be without

merit for the provisions of the LGC, specifically, Sections 31,[34] 55[35] 56,[36] and 481,[37] cited by said officer fails to support his claim. We quote the CA's ratiocination:

> The representation by the Provincial Legal Office is couched in the permissive "may" as stated in Sec. 31 quoted above. The review of ordinances or resolutions is limited to those "approving the local development plans and public investment programs formulated by the local development councils." The "Compromise Agreement" is neither of these because it is obviously not a "local development plan" or a "public investment program." What do these two concepts mean? As explained by the Asian Development Bank, they are a "wish list" of projects for funding that are integrated into macro-economic plans, not the individual project concepts themselves:
>
> x x x x
>
> This Court cannot give credence to the Provincial Legal Office's arguments for to do so would run contrary to the autonomy of MOD as a local government unit. Its leaders who were represented in the "Compromise Agreement" were elected by the people of MOD, hence, their voice as to the direction of where the Port of Dumangas should be, is entitled to great weight and should not be lightly set aside - especially so if the opinion that is supposed to replace it is one coming from a non-tenured public officer and unelected at that. The distinction between MOD's duly elected leaders and the Provincial Legal Office should be clear enough to those who rightfully discern.
>
> Indeed, the test as to when the Provincial Legal Office should continue representing the municipality concerned ought to be circumscribed by the tenets of a lawyer-client relationship, that is, the client's advantage. The Provincial Legal Office's assistance must be summoned, and summoned quickly, only when the client runs the risk of suffering from a case without due representation. Verily, it is a test of actual advantages or lack of them. Here, this Court sees nothing apparently prejudicial to MOD that would arise from the "Compromise Agreement." It actually relieves MOD of the burden of paying for the facilities at the Port of Dumangas by way of reimbursement because PPA would have to take care of it, if at all, but at the same time allows MOD the opportunity to manage and operate the port. Hence, there is no need for the Provincial Legal Office to insist on its representation of MOD. All in all, the "Compromise Agreement" should be a welcome development for the parties concerned.
>
> WHEREFORE:
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> (a) The "Motion to Recuse" is DENIED for lack of merit.
>
> (b) The "Compromise Agreement" is APPROVED by this Court as it is not contrary to law, public policy and morals. It is the final and executory judgment in this civil case as between the Philippine Ports Authority and the Municipality of Dumangas.
>
> (c) The matter of reimbursement of the value of the facilities at the Port of Dumangas is REMANDED to the court a quo for determination (a) as to whose provenance the improvements at the Port of Dumangas should be rightfully credited; and (b) as to how much these facilities are worth for purposes of reimbursement if at all.[38]

UDPDC filed a Motion for Reconsideration[39] dated December 29, 2009 invoking that the appellate court erred in: (1) approving the Compromise Agreement between PPA and MOD which does not define which of the parties shall be liable to UDPDC for the values of the equipment and improvements it introduced in the Dumangas Port; (2) ruling that MOD need not be represented by the Provincial Legal Officer and need not observe the procedure prescribed by the LGC in executing the Compromise Agreement; and (3) remanding the case to the trial court to determine as to whose provenance the improvements should rightfully be credited when it had already ruled in favor of its right to be reimbursed.

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MOD, represented by the Provincial Legal Officer, likewise filed a Motion for Reconsideration[40] invoking the following grounds: (1) the appellate court does not have authority to recognize, worse, approve the spurious and illegal Compromise Agreement. From the standpoint of the law, there is no Compromise Agreement, hence, the appeal should have been decided on the issues raised therein; (2) MOD has no obligation to pay PPA the sum of P111,930,282.28 to effect the turnover of the Dumangas Port to MOD; and (3) there is no legal basis to remand the case to the trial court for re-trial.

However, in a Resolution[41] dated July 1, 2010, the CA denied the Motions for Reconsideration filed by UDPDC and MOD finding no compelling reason to disturb its Decision as it had already categorically declared that UDPDC is entitled to reimbursement of the value of improvements which must be settled by PPA.

On September 7, 2010, UDPDC filed the instant Petition for Review on Certiorari invoking the following grounds:

> I.
> THE COURT OF APPEALS SERIOUSLY AND GRAVELY ERRED IN APPROVING THE COMPROMISE AGREEMENT BETWEEN PPA AND PURPORTEDLY MOD DESPITE THE CLEAR FACT THAT IT: (1) IS CONTRARY TO LAW; (2) IS CONTRARY TO PUBLIC POLICY; (3) IS WITHOUT THE PROVENANCE AND APPROVAL OF THE PROPER AND LEGITIMATE AUTHORITY; (4) IS BASED ON A FINDING NOT SUPPORTED BY ANY EVIDENCE; AND (5) REVERSED, IF NOT MODIFIED, THE RTC DECISION JUDGMENT IN FAVOR OF PETITIONER UDPDC, A PARTY TO THE CASE BUT NOT TO THE COMPROMISE AGREEMENT.
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> II.
> THE COURT OF APPEALS SERIOUSLY AND GRAVELY ERRED IN TOTALLY IGNORING AND NOT RULING UPON THE ISSUE RAISED BY UDPDC, I.E. WHETHER OR NOT PPA HAS THE RIGHT TO ARBITRARILY AND WHIMSICALLY REVOKE AND CANCEL THE UDPDC'S HOLD-OVER PERMIT WITHOUT ANY CAUSE OR REASON, BUT UPON DICTATES OF A POWERFUL POLITICIAN IN THE FOURTH CONGRESSIONAL DISTRICT OF ILOILO.

UDPDC assails the validity of the Compromise Agreement executed between PPA and purportedly the MOD. First, it maintains that the Compromise Agreement is contrary to law and public policy, particularly DOTC Department Order No. 2002-18 and the MOA executed by the PPA, PMO and the DILG, both of which direct the transfer of the operation, management and maintenance of feeder ports to their respective LGUs in furtherance of the commitment to insure their economic autonomy and strengthen their institutional capability under the Social Reform Related Feeders Ports Development Project.[42] In furtherance thereof, UDPDC stated that PPA itself even issued PPA Administrative Order No. 02-98 setting the guidelines on the transfer of the administration of ports to the LGUs.[43]

Second, UDPDC avers that the Compromise Agreement is without the provenance and approval of the legitimate and proper authorities. Particularly, it questions the Resolution No. 2008-33 and Resolution No. 2008-14 issued by the Sangguniang Bayan purportedly authorizing the execution of the Compromise Agreement for they were not submitted to the Sangguniang Panlalawigan and the Provincial Legal Officer for review as required by Section 56[44] of the LGC. According to UDPDC, the subject resolutions waiving the rights of MOD over the Port of Dumangas is definitely one involving a "local development plan," and hence, subject to review by the Sangguniang Panlalawigan.[45]

Moreover, under Sections 31[46] and 481[47] of the LGC, only the municipal legal officer, or if there is none, as in this case, the provincial legal officer, has sole authority to represent MOD. This is mandatory.[48] Thus, neither the provincial prosecutor nor the incumbent Mayor Ronaldo Golez who signed and filed the Motion to Approve

Compromise Agreement and the Compromise Agreement itself has legal authority to represent and act as counsel for the municipality. The authority of the provincial prosecutor is restricted only to giving legal opinions, and only if there is no municipal or provincial legal officer.[49] UDPDC notes that Provincial Prosecutor Dusaban was aware of this, which is why he later on withdrew his appearance as counsel for MOD.

Third, PPA's claim in the Compromise Agreement that it had spent P111,930,282.28 has no mooring in evidence. According to UDPDC, the feeder ports project all over the country is under the Social Reform Related Feeder Ports Development Projects funded from the financial assistance extended by Japan Bank for International Cooperation (JBIC) under soft loan agreements Nos. PH-P80 and PH-P173. Moreover, there is nothing in the loan agreements, DOTC Order No. 2002-18, PPA Administrative Order No. 02-98, and the MOA which states that MOD shall reimburse the national government or PPA the costs of the Dumangas Port before it would devolve upon the former. Furthermore, the finding that MOD has no expertise to manage the port runs contrary to the fact that the PPA had conducted months-long seminars for local government officials, including then Mayor Distura, of MOD, specifically to enable them to run the local ports.[50]

Fourth, the Compromise Agreement reversed, if not modified, the RTC judgment in favour of UDPDC, a party to the case but not to the same. Nowhere in the Compromise Agreement does it identify which between the PPA and the MOD shall assume the reimbursement to UDPDC. The RTC had already ruled in favour of UDPDC's right to reimbursement, which was not objected to by PPA nor the MOD. However, the appellate court merely approved the Compromise Agreement, disposed that PPA, not MOD, is the party who should reimburse UDPDC, and even remanded the case to the trial court for a re-determination as to whose provenance the improvements of the Port of Dumangas should be rightfully credited.

Aside from assailing the validity of the Compromise Agreement, UDPDC further maintains that PPA has no legal right or authority to revoke its hold-over permit without just and valid cause and only upon the dictates of a powerful politician in the 4[th] Congressional District of Iloilo. According to UDPDC, PPA's take-over is violative of the requirement in PPA Administrative Order No. 02-98 that it shall be for cause in order to protect and promote public interest. In addition, UDPDC claims that its continued operation of the port despite the expiration of its permit constitutes an implied renewal of the same. As such, it asks the Court to fix a period within which it shall operate the port.

In its Comment, PPA counters that UDPDC's non-inclusion in the Compromise Agreement does not render it illegal nor contrary to law. Citing the ruling in Valdez v. Financiera Manila, Inc.,[51] PPA states that the only legal effect of the non-inclusion of a party in a compromise agreement is that said party cannot be bound by the terms of the same. It shall, however, be binding on the parties who signed thereon.[52] PPA also maintains that the assistance of the Provincial Prosecutor instead of the Provincial Legal Officer in the execution of the Compromise Agreement is not an impediment for the approval of the same. This is because the Provincial Prosecutor was duly authorized to represent MOD by virtue of Resolution No. 2008-33 issued by the Sangguniang Bayan on March 19, 2009. While at the onset, counsel for MOD was the Provincial Legal Officer, MOD has a right to discharge its attorney. On this score, PPA cites the ruling of the appellate court stating that the Mayor, who signed the Compromise Agreement, was elected by the people of MOD, and his decisions must be accorded great weight especially when the opinion he is replacing is one from a non- tenured, unelected officer, such as the Provincial Legal Officer. Such officer's assistance must only be summoned when the client, the MOD in this case, runs the risk of suffering from a case without due representation. Here, however, there is nothing in the Compromise Agreement that is prejudicial to MOD. In fact, the same actually relieves it from the burden of reimbursing UDPDC for the obligation is transferred to PPA.[53]

On UDPDC's alleged right to continue its operations in the port, PPA asserts UDPDC's failure to appeal the May

18, 2007 Decision of the trial court wherein it states that UDPDC does not have any more right to the port since its continued operation was by mere tolerance of the PPA.[54] Consequently, such issue is no longer open for review.

As to the validity of the Compromise Agreement, PPA counters that the same cannot be invalidated for UDPDC suffered no prejudice therefrom. In fact, it noted that compromise agreements, such as the one it executed with MOD, are not only allowed, but are also encouraged in civil cases.[55] Moreover, contrary to UDPDC's contention, the agreement did not reverse nor modify the trial court's decision with respect to its right to reimbursement. The appellate court, in approving of the same, merely recognized the improvements introduced by the national government and PPA on the port. PPA substantiated this by attaching to its Comment documents[56] entitled "Project Brief' purportedly evidencing the expenses it incurred in the construction of improvements on the port.[57]

The petition is partly meritorious. A perusal of the provisions of the Compromise Agreement, as well as the circumstances surrounding its execution, negates its validity.

Section 56 of the Local Government Code provides:

> Section 56. Review of Component City and Municipal Ordinances or Resolutions by the Sangguniang Panlalawigan.
>
> (a) Within three (3) days after approval, the secretary to the sanggunian panlungsod or sangguniang bayan shall forward to the sangguniang panlalawigan for review, copies of approved ordinances and the resolutions approving the local development plans and public investment programs formulated by the local development councils.
>
> (b) Within thirty (30) days after the receipt of copies of such ordinances and resolutions, the sangguniang panlalawigan shall examine the documents or transmit them to the provincial attorney, or if there be none, to the provincial prosecutor for prompt examination. The provincial attorney or provincial prosecutor shall, within a period of ten (10) days from receipt of the documents, inform the sangguniang panlalawigan in writing of his comments or recommendations, which may be considered by the sangguniang panlalawigan in making its decision.
>
> (c) If the sangguniang panlalawigan finds that such an ordinance or resolution is beyond the power conferred upon the sangguniang panlungsod or sangguniang bayan concerned, it shall declare such ordinance or resolution invalid in whole or in part. The sangguniang panlalawigan shall enter its action in the minutes and shall advise the corresponding city or municipal authorities of the action it has taken.
>
> (d) If no action has been taken by the sangguniang panlalawigan within thirty (30) days after submission of such an ordinance or resolution, the same shall be presumed consistent with law and therefore valid.

In upholding the validity of the Compromise Agreement, the appellate court held that "the review of ordinances or resolutions is limited to those approving the local development plans and public investment programs formulated by the local development councils." It stated that the subject Compromise Agreement is neither a "local development plan" nor a "public investment program," pursuant to the explanation provided by the Asian Development Bank (ADB), to wit:

> Consequently, in the 1980s many developing countries moved to rolling public investment plans, generally with the encouragement and along the recommendations of the World Bank. These rolling investment plans are usually named Public Investment Programs (PIP). They are widely used in aid-dependent countries, since one of their aims is to improve aid coordination, and are less common in middle-income countries. Recently, with the assistance of the World Bank and the European Union, PIPs have been newly introduced in a number of

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transition countries.

In some developing countries, a PIP became a simple wish list, used to attract aid from donors and international financial institutions, or even just to fulfill a formalistic requirement of Consultative Groups and other donor meetings.. Often such wish list is prepared hastily for the meetings with the assistance of external consultants and little genuine involvement of local officials. The role of these wish lists of project in the formulation of the budget is generally weal or nil. Worse, because these PIPs are shopping lists rather than programming tools, they invariably include a variety of weak, unsound, or undocumented project proposals. Even the marginal usefulness of these PIPs as documentation for a donor meeting is swamped by the risk of financing bad projects; by the implicit transfer of control over the development agenda from the government to the external donors; and by the generalized loss of credibility of the programming process. It would be better if they were not prepared at all (or externally requested).

One does not, however, dismiss an economic programming tool because it is often misused or abused in practice. The following discussion examines the utility of PIPs when they are genuine medium-term programs for public investment. If it is concluded that this tool is appropriate to a particular country, then it becomes necessary to assure that it is designed and used properly. In any case, the relatively large donor funding will either be appropriately programmed, in relation to the policy priorities of the recipient country, or still be distributed, but without any central scrutiny of project quality, consistency with policy, or coordination with the budgeting of domestic resources. A good PIP is aimed at ensuring five different (although interrelated) functions:

- improving economic management, to ensure that macroeconomic sector strategies are translated into programs and projects;

- improving aid coordination and channeling external resources to priority areas;

- strengthening the hand of the government in negotiating with external donors;

- assisting public financial management, by balancing (partial) commitments and resources over a multi-year framework; and

- strengthening the project cycle by providing a framework within which project preparation, implementation, and monitoring can occur.

Perhaps the most significant benefit that aid-dependent developing countries receive from good PIPs is that the process of PIP preparation itself gives an opportunity to review, and then integrate into the budget, aid-financed expenditures that were previously nonbudgeted. (As chapter 2 stressed, the budget should be comprehensive and should include all government expenditures, however financed.) PIP exercises contribute also to extending the horizon of financial programming and planning beyond the annual budget, and the perspective of policymakers in a more realistic way than previous five-year plans.

Finally, if conducted rigorously and with full local participation, the process can be an invaluable capacity-building tool, and a way to introduce financial discipline and the awareness of opportunity cost into the informal rules of the local bureaucracy. Finally, a good PIP process can set the stage for the eventual medium-term programming of all expenditure which is the optional way of incorporating the needed multi-year perspective in to the budget process.[58]

On the basis of the aforequoted text, the appellate court simply concluded that local development plans and public investment programs are a "wish list of projects for funding that are integrated into macro-economic plans, and not the individual project concepts themselves."[59] Without expounding on said conclusion, however, nor citing any provision of law or jurisprudence that would justify the same, the CA immediately dispensed with the requirement of forwarding to the sangguniang panlalawigan for review, copies of approved ordinances and the

resolutions approving the local development plans and public investment programs. No other basis, legal or otherwise, was offered to explain how the operation of a commercial port for the generation of income cannot fall within the definition of "local development plan" nor a public investment program. In fact, as observed by MOD, through the Provincial Legal Officer, nowhere in the ADB write-up does it state that feeder ports, like the Port of Dumangas, are not "local development plans" or "public investment projects" for purposes of the LGC.

Even granting that the subject resolutions need not be submitted to the Sangguniang Panlalawigan for review, these resolutions purportedly authorizing Municipal Mayor Golez to enter into the Compromise Agreement still cannot be given credence. Under Section 444(b)(l)(vi)[60] of the LGC, the municipal mayor may represent the municipality in all its business transactions and sign, on its behalf, contracts and obligations made pursuant to law or ordinance. However, a mere resolution, such as those issued by the Sangguniang Bayan herein, does not suffice to approve PPA's claim of Php 111,930,282.28 against MOD for no rights can be conferred by and be inferred from a resolution, which is nothing but an embodiment of what the law-making body has to say in the light of attendant circumstances.[61] Contrary to the appellate court's stance, that Mayor Golez was elected by the people of MOD does not excuse him from acting within the parameters set by law. Thus, while it is true that compromise agreements between the parties in civil cases are not only allowed but even encouraged, in order for them to be binding on the parties, however, they must be executed in accordance with applicable law and jurisprudence.

On this score, alone, the Compromise Agreement must be nullified for being entered into without complying with the provisions of law. Yet, a substantial reading of the same further demands its nullification as its terms are highly irregular and manifestly disadvantageous to the MOD. It bears stressing that under the Compromise Agreement, MOD suddenly became indebted to PPA for the costs of improvements it allegedly introduced on the port in the amount of Php 111,930,282.28. This obligation to reimburse PPA, however, was never asserted throughout the proceedings, not even on PPA's appeal to the CA. Neither was there any evidence submitted to substantiate the claim. Note that only in its Comment filed before this Court did the PPA attempt to provide some sort of basis in support of its alleged expenses. But two pages containing a mere enumeration of certain works purportedly constructed on the port with the total amount at the bottom of each page can hardly be considered sufficient to entitle PPA reimbursement of Php 111,930,282.28.[62] As noted by UDPDC, not only are the documents unsigned, of an unknown source and authorship, but their authenticity and due execution were not even shown.[63]

The foregoing, notwithstanding, it was on this unsubstantiated claim that MOD's right to operate the Port of Dumangas was waived in favor of PPA, contrary to the letter and spirit of prevailing law and contractual agreements. Under the DOTC Department Order No. 2002-18,[64] the PPA was expressly directed to revert the Port of Dumangas, among other ports enumerated therein, to the DOTC which shall, in tum, cause the turnover of the same to their respective LGUs pursuant to the loan agreements between the Government and the JBIC under the Social Reform Related Feeders Ports Development Project. It is for the same project that the PPA entered into the MOA with the PMO and DILG to provide its assistance in the implementation of the training program to strengthen the capability of LGUs on feeder ports operation and management through the facilities of PPA Training Center.[65] In line with this, PPA itself issued Administrative Order No. 02-98[66] which similarly provided for the devolution of port management functions from the PPA to the LGUs concerned setting the guidelines thereon. According to MOD, moreover, its local government officials, including then Mayor Distura, even underwent training courses on feeder port operation and management at the PPA Training Center specifically to enable them to run the local ports.

It bears stressing that apart from the unsustainable Compromise Agreement, PPA failed to provide the Court with sufficient basis, legal or otherwise, in support of its alleged authority to take-over the operation of the Dumangas

Port. While the PPA was indeed, authorized by EO No. 171 to exercise its administrative jurisdiction over the Dumangas Port, DOTC Department Order No. 2002-18, issued after EO No. 171, effectively rescinded the latter for as correctly ruled by the trial court, acts of the secretaries of such departments, performed and promulgated in the regular course of business are, unless disapproved or reprobated by the Chief Executive, presumptively the acts of the Chief Executive.[67] Consequently, PPA's authority to administer the Port of Dumangas was effectively superseded by the directive mandated by the DOTC Department Order to transfer the operation of the same to the MOD.

Thus, in view of the Compromise Agreement's procedural and substantive infirmities, the Court cannot allow the same to govern the rights of the parties herein. The appellate court's central consideration in approving of the same on the ground that it effectively disposes of the case with the parties "emerging as winners" cannot be sustained. On the one hand, its contention that there is nothing in the Compromise Agreement that is prejudicial to MOD for it actually relieves it from the burden of reimbursing UDPDC is misleading. Not· only is there nothing in the agreement which states that PPA undertakes to assume MOD's obligation to reimburse UDPDC, MOD suddenly became indebted to PPA in the amount of Php111,930,282.28. Yet, as previously discussed, PPA's claim to said amount was unsubstantiated by convincing evidence. Moreover, as UDPDC noted, nowhere in the DOTC Order No. 2002-18, PPA Administrative Order No. 02-98, nor the MOA is it stated, expressly or impliedly, that MOD is obliged to reimburse PPA costs of the Dumangas Port before it would devolve upon the former. Clearly, PPA's claim to reimbursement has neither legal nor evidentiary basis. Yet, in spite of this, the MOD, pursuant to the Compromise Agreement, waived its right to operate the Dumangas Port granted to it by prevailing law and binding agreements.

On the other hand, the Court also cannot sustain the appellate court's ruling that UDPDC must "be happy" that its rights are not prejudiced for the matter of reimbursement remains outstanding in its favor, only that the same must be settled by the PPA. While it is conceded that the non-inclusion of UDPDC in the Compromise Agreement does not perforce nullify it, the wording of the same taken in conjunction with the ruling of the appellate court renders UDPDC's right to reimbursement uncertain. Again, there is nothing in the agreement which states that PPA undertakes to assume MOD's obligation to reimburse UDPDC. Moreover, while the CA claims to recognize UDPDC's right to reimbursement, it remands such matter to the court a quo for determination (a) as to whose provenance the improvements at the Port of Dumangas should be rightfully credited; and (b) as to how much these facilities are worth for purposes of reimbursement if at all. Thus, the CA's contention that it had already categorically declared that UDPDC is entitled to reimbursement of the value of improvements is belied by the fact that it remanded the case to the trial court to determine as to whose provenance the improvements at the Port of Dumangas should be rightfully credited. Its approval of the Compromise Agreement cannot, therefore, be justified on the simple reasoning that all parties in the instant case are not prejudiced thereby for as previously discussed, the provisions of the agreement are actually disadvantageous to the rights ofUDPDC and MOD.

Anent UDPDC's contention, however, that the PPA did not have authority to revoke its hold-over permit, the following ruling in Philippine Ports Authority v. Cipres Stevedoring & Arrastre, Inc.,[68] is instructive:

> In connection with the foregoing, we likewise find no arbitrariness nor irregularity on the part of petitioner as far as PPA AO No. 03-2000 is concerned. It is worthwhile to remind respondent that petitioner was created for the purpose of, among other things, promoting the growth of regional port bodies. In furtherance of this objective, petitioner is empowered, after consultation with relevant government agencies, to make port regulations particularly to make rules or regulation for the planning, development, construction, maintenance, control, supervision and management of any port or port district in the country. With this mandate, the decision to bid out the cargo holding services in the ports around the country is properly within the province and discretion of petitioner which we cannot simply set aside absent grave abuse of discretion on its part. The

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> discretion to carry out this policy necessarily required prior study and evaluation and this task is best left to the judgment of petitioner. While there have been occasions when we have brushed aside actions on the part of administrative agencies for being beyond the scope of their authority, the situation at the case at bar does not fall within this exception.
>
> x x x x
>
> In the case at bar, respondent sought the issuance of a writ for preliminary injunction in order to prevent the "cessation of cargo handling services in the port of Dumaguete City to the detriment and prejudice of the public, shipper, consignees and port workers." However, the factual backdrop of this case establishes that respondent's eight-year contract for cargo handling was already terminated and its continued operation in the port of Dumaguete City was merely by virtue of a second hold-over permit granted by petitioner through a letter dated 27 December 1999, the pertinent portion of which reads:
> This HOP extension shall be valid from January 18, 2000 up to April 18, 2000, unless sooner withdrawn or cancelled or upon the award of the cargo handling contract thru public bidding.

By its nature, the hold-over permit was merely temporary in nature and may be revoked by petitioner at anytime. As we declared in the case of Anglo-Fil Trading Corporation, hold-over permits are merely temporary and subject to the policy and guidelines as may be implemented by petitioner. The temporary nature of the hold-over permit should have served as adequate notice to respondent that, at any time, its authority to remain within the premises of the port of Dumaguete City may be terminated. Unlike the contract for cargo handling services previously entered into by petitioner and respondent, whose terms and conditions were agreed upon by the parties herein and which clearly provided for a specific period of effectivity as well as a stipulation regarding the notice of violation, the hold-over permit was unilaterally granted by petitioner pursuant to its authority under the law.

Based on the foregoing, it is clear that at the time of the institution of this suit, respondent no longer possessed any contract for its continued operation in Dumaguete City and its stay in the port of said city was by virtue of a mere permit extended by petitioner revocable at anytime by the latter. Obviously, the writ of preliminary injunction issued by the Court of Appeals granted respondent the authority to maintain its cargo handling services despite the absence of a valid cargo handling agreement between respondent and petitioner. For this reason, we hold that the Court of Appeals erred in ordering the court a quo to issue the writ of preliminary injunction in favor of respondent.[69]

Similarly in this case, the series of hold-over authorities as well as the final holdover permit granting UDPDC a three (3)-month extension was clearly temporary in nature. As aptly found by the trial court, UDPDC's continued operation of the port was merely by PPA's tolerance, having no valid and existing permit, and that UDPDC's status was merely on the basis of a holdover authority, temporary in nature, which may be recalled by PPA at any time. As such, the holdover permits should have served as adequate notice to UDPDC that, at any time, its authority to remain within the premises of the port of Dumangas may be terminated. That PPA arbitrarily revoked UDPDC's permit upon the dictates of a powerful politician in the fourth congressional district of Iloilo is a mere speculation, unsupported in evidence. Thus, in view ofthe expiration ofUDPDC's permit to operate the port, and in the absence of any contract renewing the same, UDPDC cannot claim to have any right to the administration thereof.

WHEREFORE, premises considered, the instant petition is PARTLY GRANTED. The Decision and Resolution, dated December 4, 2009 and July 1, 2010, respectively, of the Court Appeals in CA-G.R. SP No. 03293 are SET ASIDE insofar as it: (1) approved the Compromise Agreement; and (2) remanded to the trial court the determination as to whose provenance the improvements at the Port of Dumangas should be rightfully credited and as to how much these facilities are worth for purposes of reimbursement, if at all. The Compromise

Agreement executed by respondent Philippine Ports Authority and Municipality of Dumangas on December 3, 2008 is hereby declared INVALID and WITH NO EFFECT. The Decision dated May 18, 2007 ordering the delivery to the Municipality of Dumangas the operation of the cargo handling services of the Port of Dumangas, after the Municipality has reimbursed petitioner United Dumangas Port Development Corporation of the value of its development and improvements introduced on the Port and the value of its infrastructures and equipment used in the operation thereof, is REINSTATED. For this purpose, the records of this case are hereby REMANDED to the Regional Trial Court of P.D. Monfort North, Dumangas, Iloilo, Branch 68, for the proper determination of the value of equipment and improvements introduced by petitioner on the Port of Dumangas.

SO ORDERED.

Velasco, Jr., (Chairperson), Villarama, Jr., Perez,[*] and Jardeleza, JJ., concur.

September 11, 2015

N O T I C E OF J U D G M E N T

Sirs/Mesdames:

Please take notice that on ___August 12, 2015___ a Decision, copy attached herewith, was rendered by the Supreme Court in the above-entitled case, the original of which was received by this Office on September 11, 2015 at 1:35 p.m.

Very truly yours,
(SGD)
WILFREDO V. LAPITAN
Division Clerk of Court

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[*] Designated Acting Member in lieu of Associate Justice Bienvenido L. Reyes, per Special Order No. 2112 dated July 16, 2015.

[1] Penned by Associate Justice Amy C. Lazaro-Javier, with Associate Justices Rodil V. Zalameda, and Samuel H. Gaerlan, concurring; rollo, pp. 41-61.

[2] Penned by Associate Justice Myra V. Garcia-Femandez, with Associate Justices Pampio A. Abarintos, and Ramon A. Cruz, concurring; id. at 63-66.

[3] Id. at 41.

[4] Id. at 42.

[5] Id. at 42 and 227.

[6] Id.

[7] Id. at 77-84.

[8] Penned by Assisting Judge Narciso M. Aguilar; id. at 85-87.

[9] Id. at 141-144.

[10] Id. at 143.

[11] Id. at 145-151.

[12] Id. at 157-159.

[13] ld. at 503-506.

[14] Id. at 496-502.

[15] Id. at 157-158.

[16] Id. at 158-159.

[17] Entitled "Declaring and Delineating the Dumangas Port Zone under the Administrative Jurisdiction of the Philippine Ports Authority," October 25, 1999.

[18] Rollo, pp. 188-195.

[19] Penned by Judge Roger B. Particio; id. at 204-212.

[20] Id. at 223-240.

[21] Id. at 240.

[22] Id.

[23] Id. at 236.

[24] Id. at 237.

[25] Id. at 239.

[26] Id. at 241-242.

[27] Id. at 273-275.

[28] Id at 274-275. (Emphasis ours)

[29] Id. at 46.

[30] Id. at 46 and 291-292.

[31] Section 55 of the Local Government Code of 1991 provides:

Section 55. Veto Power of the Local Chief Executive. -

(a) The local chief executive may veto any ordinance of the sanggunian panlalawigan, sangguniang panlungsod, or sanggunian bayan on the ground that it is ultra vires or prejudicial to the public welfare, stating his reasons therefor in writing.

(b) The local chief executive, except the punong barangay, shall have the power to veto any particular item or items of an appropriations ordinance, an ordinance or resolution adopting a local development plan and public investment program, or an ordinance directing the payment of money or creating liability. In such a case, the veto shall not affect the item or items which are not objected to. The vetoed item or items shall not take effect unless the sanggunian overrides the veto in the manner herein provided; otherwise, the item or items in the appropriations ordinance of the previous year corresponding to those vetoed, if any, shall be deemed reenacted.

(c) The local chief executive may veto an ordinance or resolution only once. The sanggunian may override the veto of the local chief executive concerned by two-thirds (2/3) vote of all its members, thereby making the

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ordinance effective even without the approval of the local chief executive concerned.

[32] Section 56 of the Local Government Code of 1991 provides:

Section 56. Review of Component City and Municipal Ordinances or Resolutions by the Sangguniang Panlalawigan.

(a) Within three (3) days after approval, the secretary to the sanggunian panlungsod or sangguniang bayan shall forward to the sangguniang panlalawigan for review, copies of approved ordinances and the resolutions approving the local development plans and public investment programs formulated by the local development councils.

(b) Within thirty (30) days after the receipt of copies of such ordinances and resolutions, the sangguniang panlalawigan shall examine the documents or transmit them to the provincial attorney, or if there be none, to the provincial prosecutor for prompt examination. The provincial attorney or provincial prosecutor shall, within a period of ten (10) days from receipt of the documents, inform the sangguniang panlalawigan in writing of his comments or recommendations, which may be considered by the sangguniang panlalawigan in making its decision.

(c) If the sangguniang panlalawigan finds that such an ordinance or resolution is beyond the power conferred upon the sangguniang panlungsod or sangguniang bayan concerned, it shall declare such ordinance or resolution invalid in whole or in part. The sangguniang panlalawigan shall enter its action in the minutes and shall advise the corresponding city or municipal authorities of the action it has taken.

(d) If no action has been taken by the sangguniang panlalawigan within thirty (30) days after submission of such an ordinance or resolution. the same shall be presumed consistent with law and therefore valid. (Emphases ours)

[33] Rollo, pp. 48-50. (Emphasis ours)

[34] Section 31 of the Local Government Code of 1991 provides:

Section 31. Submission of Municipal Questions to the Provincial Legal Officer or Prosecutor. - In the absence of a municipal legal officer, the municipal government may secure the opinion of the provincial legal officer, and in the absence of the latter, that of the provincial prosecutor on any legal question affecting the municipality. (Emphasis ours)

[35] Supra note 31.

[36] Supra note 32.

[37] Section 481 of the Local Government Code of 1991 provides: Section 481. Qualifications, Terms, Powers and Duties.

(a) No person shall be appointed legal officer unless he is a citizen of the Philippines, a resident of the local government concerned, of good moral character, and a member of the Philippine Bar. He must have practiced his profession for at least five (5) years in the case of the provincial and city legal officer, and three (3) years in the case of the municipal legal officer.

The term of the legal officer shall be coterminous with that of his appointing authority.

The appointment of legal officer shall be mandatory for the provincial and city governments and optional for the municipal government.

(b) The legal officer, the chief legal counsel of the local government unit, shall take charge of the office of legal services and shall:

(1) Formulate measures for the consideration of the sanggunian and provide legal assistance and support to the governor or mayor, as the case may be, in carrying out the delivery of basic services and provisions of adequate facilities as provided for under Section 17 of this Code;

(2) Develop plans and strategies and upon approval thereof by the governor or mayor, as the case may be, implement the same, particularly those which have to do with programs and projects related to legal services which the governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;

(3) In addition to the foregoing duties and functions, the legal officer shall:

(i) Represent the local government unit in all civil actions and special proceedings wherein the local government unit or any official thereof, in his official capacity, is a party: Provided, That, in actions or proceedings where a component city or municipality is a party adverse to the provincial government or to another component city or municipality, a special legal officer may be employed to represent the adverse party;

(ii) When required by the governor, mayor or sanggunian, draft ordinances, contracts, bonds, leases and other instruments, involving any interest of the local government unit and provide comments and recommendations on any instrument already drawn;

(iii) Render his opinion in writing on any question of law when requested to do so by the governor, mayor or sanggunian;

(iv) Investigate or cause to be investigated any local official or employee for administrative neglect or misconduct in office, and recommend appropriate action to the governor, mayor or sanggunian, as the case may be;

(v) Investigate or cause to be investigated any person, firm or corporation holding any franchise or exercising any public privilege for failure to comply with any term or condition in the grant of such franchise or privilege, and recommending appropriate action to the governor, mayor or sanggunian, as the case may be;

(vi) When directed by the governor, mayor, or sanggunian, initiate and prosecute in the interest of the local government unit concerned any civil action on any bond, lease or other contract upon any breach or violation thereof; and

(vii) Review and submit recommendations on ordinances approved and execute orders issued by component units;

(3) Recommend measures to the sanggunian and advise the governor or mayor as the case may be on all other matters related to upholding the rule of law;

(4) Be in the frontline of protecting human rights and prosecuting any violations thereof, particularly those which occur during and in the aftermath of man-made or natural disasters or calamities; and

(5) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance. (Emphasis ours)

[38] Rollo, pp. 53-61. (Emphases ours)

[39] Id. at 430-445.

[40] Id. at 450-458.

[41] Id. at 63-66.

[42] Id. at 22-23.

[43] Id. at 24.

[44] Supra note 35.

[45] Rollo, p. 27.

[46] Supra note 36.

[47] Supra note 39.

[48] Citing Municipality of Pililia, Rizal v. CA, G.R. No. 105909, June 28, 1994, 233 SCRA 484, 491; see also Mancenido v. CA, 386 Phil. 627 (2000); Alinsug v. RTC, Br. 58, San Carlos City, Neg. Occ., G.R. No. 108232, August 23, 1993, 225 SCRA 553, 557; Ramos v. CA, et al., 195 Phil. 536, 541 (1981); Province of Cebu v. lAC, 231 Phil. 397, 406 (1987).

[49] Rollo, p. 25.

[50] Id. at 28.

[51] 617 Phil. 89, 108 (2009).

[52] Rollo, pp. 550-552.

[53] Id. at 552-554.

[54] Id. at 555.

[55] Id. at 557, citing Harold v. Aliba. 560 Phil. 728, 735 (2007).

[56] Rollo, pp. 563-564.

[57] Id. at 558.

[58] Id. at 53-55.

[59] Id. at 53.

[60] Section 444. The Chief Executive: Powers, Duties, Functions and Compensation. x x x

(b) For efficient, effective and economical governance the purpose of which is the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code, the municipal mayor shall:

(1) Exercise general supervision and control over all programs, projects, services, and activities of the municipal government, and in this connection, shall:

(vi) Upon authorization by the sangguniang bayan, represent the municipality in all its business transactions and sign on its behalf all bonds, contracts, and obligations, and such other documents made pursuant to law or ordinance;

[61] Spouses Yusay v. Court of Appeals, 662 Phil. 634, 643 (2011).

[62] Rollo, pp. 563-564.

[63] Id. at 573.

[64] Id. at 493-495.

[65] Id. at 503.

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[66] Id. at 515-521.

[67] Judge Angeles v. Han. Gaile, G.R. No. 165276, November 25, 2009, 605 SCRA 408, 415, citing Villena v. Secretary of Interior, 67 Phil. 451, 463 (1939).

[68] 501 Phil. 646 (2005).

[69] Philippine Ports Authority v. Cipres Stevedoring & Arrastre, Inc., supra, at 663-665. (Emphases ours)

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