

LOTRIM CONSTRUCTION, INC., REPRESENTED BY ITS PRESIDENT, ENGINEER ODILON MARLON L. GAVIOLA, AND ENGINEER ODILON MARLON L. GAVIOLA, PETITIONERS, VS. COMMISSION ON AUDIT, RESPONDENT.

G.R. No. 270295, April 29, 2026

Ponente: ROSARIO, J.

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ROSARIO, J.:

This is a Petition for Certiorari[1] filed under Rule 64 in relation to Rule 65 of the Rules of Court, assailing the Decision[2] and the Resolution[3] of the Commission on Audit – Commission Proper (COA Proper), which upheld the disallowances of the payments made by the Bureau of Customs (BOC) to its contractor, Lotrim Construction, Inc. (Lotrim), for the expansion of the Administration Building of the BOC Port of Davao (the Project). COA Proper also held Lotrim liable to return the BOC's overpayment for the project amounting to PHP 408,859.16.[4]

Antecedent Facts

In 2012, the BOC, through its deputy commissioner and chairman of the Bids and Awards Committee, Atty. Juan Lorenzo T. Tañada, issued an Invitation to Bid, informing prospective bidders that the sum of PHP 20,000,000.00 was appropriated in the General Appropriations Act of 2012 as the Approved Budget for the Contract for the expansion of the Project.[5]

In the public bidding conducted by the BOC on December 20, 2012, Lotrim was declared as the bidder with the "Lowest Calculated and Responsive Bid" in the amount of PHP 17,203,203.18.[6] The Notice of Award[7] was issued to Lotrim on February 18, 2013.[8]

On March 15, 2013, the Contract of Agreement[9] for the Project was entered into by the BOC, represented by Commissioner Rozzano Rufino B. Biazon (Commissioner Biazon), and Lotrim, represented by its president, Engineer Odilon L. Gaviola[10] (Engr. Gaviola), at an agreed contract price of PHP 17,203,203.18. On March 22, 2013, the BOC issued a Notice to Proceed,[11] which was received by Lotrim on April 2, 2013.[12]

On April 12, 2013, the BOC disbursed the amount of PHP 2,419,200.45 to Lotrim as the 15% advance payment. On June 17, 2013, the BOC paid PHP 3,828,184.10 to Lotrim as the first partial payment for the work accomplished on the Project.[13]

On July 12, 2013, COA issued Notice of Disallowance No. 2013-001-101-(13)[14] (2013 ND) to the BOC disallowing the 15% advance payment to Lotrim. The grounds for disallowance are as follows:

- Funds allotted for the Maintenance and Other Operating Expenses (MOOE) were misappropriated for the construction of the new office building in violation of Sections 85, 86, and 87 of Presidential Decree No. 1445[15] and Section 37 of Presidential Decree No. 1777.[16]

- Funds were obligated on December 27, 2012 in the name of the office to cover up a nonexistent creditor since no award was made yet to a winning bidder, and to justify the continuity of the budget in violation of Section 40, Book VI of Executive Order No. 292, the 1987 Administrative Code of the Philippines.

- Savings from MOOE appropriated for fiscal year (FY) 2011 were unlawfully spent beyond FY 2012 in violation of Section 65, General Provisions, Republic Act No. 10147, otherwise known as the General Appropriations Act of 2011.[17]

In the 2013 ND, the approving and certifying officials of the BOC-Manila, the BOC-Port of Davao, and the payee, Lotrim, as represented by Engr. Gaviola, were found liable and were directed to settle the disallowance immediately.[18]

As a result of the 2013 ND, the BOC-Port of Davao issued a Letter[19] dated August 30, 2013 to Lotrim informing the latter to cease construction, pending the resolution of the BOC's appeal on the 2013 ND. On September 3, 2013, Lotrim received the Letter from the BOC-Port of Davao and reported an 80.67% accomplishment rate on the Project or in the amount of PHP 13,878,362.71, which was allegedly approved by the BOC.[20]

On September 17, 2013, Lotrim filed an appeal[21] with the regional director of the COA Regional Office No. XI, Davao City to assail the 2013 ND. Lotrim essentially averred that it acted in good faith in its dealings with the BOC and claimed that it should be entitled to the payment of its accomplished works under the principle of quantum meruit.[22]

In a Letter dated December 13, 2013, the officer-in-charge of the BOC Port of Davao, Datu Samson R. Pacasum (Pacasum), requested the audit team for the inspection and reevaluation of the Project.[23]

In the meantime, COA issued Notice of Disallowance No. 2014-001-101(13)[24] (2014 ND) on January 22, 2014, disallowing the first partial payment to Lotrim on June 17, 2013, amounting to PHP 3,828,184.10. The disallowance was based on the similar grounds stated in the 2013 ND.[25]

Pursuant to Pacasum's request, the COA Technical and Information Technology Services (TechITS) inspected the Project and submitted their Inspection Report for Infrastructure Project[26] (COA Inspection Report) dated April 7, 2014. The COA TechITS explained that the works performed for the Project are only at 36.90% and that the actual accomplishment of the Project amounted only to PHP 6,347,826.73, contrary to Lotrim's reported accomplishment amounting to PHP 13,878,362.71.[27]

On July 21, 2014, Lotrim appealed the 2014 ND before the COA Cluster Director, National Government Sector (NGS)-Cluster 2, where it reiterated the same arguments raised in its pending appeal for the 2013 ND.[28]

Ruling of the COA Cluster Director

On October 7, 2015, the COA Cluster Director of NGS-Cluster 2 rendered a Decision[29] granting Lotrim's appeals and lifting the 2013 and 2014 NDs. The COA Cluster Director granted Lotrim's prayer that it be entitled to payment for services rendered under the principle of quantum meruit.[30]

In turn, the COA Cluster Director directed the Audit Team Leader of the BOC-Port of Davao to evaluate the remaining payment to Lotrim on postaudit, which shall not exceed the net amount of the work accomplishment based on the COA Inspection Report, amounting to PHP 6,347,826.73.[31]

The case was elevated to COA Proper on automatic review.[32]

Ruling of COA Proper

In the assailed Decision, COA Proper modified the ruling of the COA Cluster Director, the dispositive portion of which reads:

WHEREFORE, premises considered, Commission on Audit National Government Sector – Cluster 2 Decision No. 2015-13 dated October 7, 2015 is hereby DISAPPROVED insofar as it lifted Notice of Disallowance (ND) Nos. 2013-001-101(13) and 2014-001-101(13) dated July 12, 2013 and January 22, 2014, respectively, but APPROVED, as to the reduction of the liability of Lotrim Construction, Inc. (Lotrim) to [PHP] 408,859.16. Accordingly, ND Nos. 2013-001-101(13) and 2014-001-101(13) are AFFIRMED, and all persons named liable thereunder remain liable for the entire amount of [PHP] 6,247,384.55, except Lotrim/Engr. Odilon Marlon L. Gaviola, who is liable only for the amount of [PHP] 408,859.16.

Moreover, Atty. Juan Lorenzo T. Tañada, the Bids and Awards Committee Chairman, who issued the Invitation to Bid and informed the prospective bidders that the project is covered by an appropriation, should be included as one of the persons liable. The Audit Team Leader and Supervising Auditor concerned are directed to issue a Supplemental ND holding Atty. Tañada liable for the amount of [PHP] 6,247,384.55.

The Prosecution and Litigation Office, Legal Services Sector, this Commission [sic], is hereby directed to forward the records of the case to the Office of the Ombudsman for investigation and filing of appropriate charges, if warranted, against the persons liable for the transaction.[33]

COA Proper declared that the contract between the BOC and Lotrim is void since the Project was not covered with a valid appropriation, as required under Presidential Decree No. 1445. COA Proper pointed out that in the BOC's 2012 budget in the General Appropriations Act, no amount was allotted specifically for the Project, and that the BOC unlawfully used the MOOE[34] to fund the Project. COA Proper also observed that the BOC violated the relevant circulars of the Department of Budget and Management on allotments and obligations.[35]

Finally, COA Proper agreed with the COA Cluster Director that Lotrim is entitled to the payment for the work accomplished under the principle of quantum meruit. However, upon recomputation, it turned out that the BOC actually overpaid Lotrim in the amount of PHP 408,859.16.[36] Thus, Lotrim was ordered to return the overpaid amount.[37]

Lotrim filed a Motion for Reconsideration[38] (MR), praying for the reevaluation of its work accomplishments on the Project. Lotrim also prayed that it be entitled to collect the unpaid balance of its actual accomplishments. To corroborate its position, Lotrim engaged the services of a third party, MGCF Construction, Inc. (MGCF Construction), to perform an independent assessment on the status of the Project. Lotrim appended to the MR a copy of the Report prepared by MGCF Construction (MGCF Report), which states that Lotrim's total accomplishment in the Project is at 64.15% or in the amount of PHP 12,131,455.56.[39]

On January 28, 2022, the Office of the Commission Secretariat of COA Proper issued a Notice on the En Banc Resolution denying Lotrim's MR. COA Proper found no compelling reason to reverse the findings of the COA TechITS.[40]

Hence, the petitioners filed the instant Petition, alleging that respondent COA committed grave abuse of discretion when they were held liable to return the amount of PHP 408,859.16 to the Government.[41]

The petitioners claimed that their right to administrative due process was violated when the COA TechITS conducted the inspection of the Project and issued the COA Inspection Report without any prior notice to them. They further raised that they only found out about the inspection when the said Report was cited in the COA Cluster Director's Decision. As such, they were deprived of their right to controvert the findings of the COA TechITS.[42]

To further bolster the allegation that they were deprived of their right to administrative due process, the petitioners

highlighted that the main issue in the 2013 and 2014 NDs is the illegal disbursement committed by the officials of the BOC, not the degree of the accomplished works in the Project. The petitioners asserted that the extent of their accomplishment in the Project is a completely separate and distinct issue, which should have been covered by a separate Audit Observation Memorandum, Notice of Suspension, and Notice of Disallowance under the Revised Rules of Procedure of COA (COA Rules), in relation to COA Circular No. 2009-006.[43]

Finally, the petitioners averred that COA had no jurisdiction to determine its degree of accomplishment in the Project since the issue is a construction dispute, which should have been referred to the Construction Industry Arbitration Commission (CIAC) in accordance with the provisions of their Contract Agreement, as well as Republic Act No. 9184[44] and its implementing rules.[45]

In their Comment,[46] COA, through the Office of the Solicitor General, denied the allegation that the petitioners were deprived of their right to due process. COA countered that the petitioners were given an opportunity to be heard in the administrative proceedings, and the MR filed by the petitioners was given due course and was adjudicated on the merits. It was also highlighted that the MGCF Report they submitted was even examined by the chief technical audit specialist of the COA Region XI – Davao City. In fact, the data in the MGCF Report were compared and evaluated against the data in the COA TechITS Report by the chief technical audit specialist of the COA Regional Office No. XI, as shown in the Letter dated July 15, 2020.[47]

Anent the petitioners' contention that a separate Audit Observation Memorandum, Notice of Suspension, and Notice of Disallowance should have been issued, COA, citing the case of *Yap v. Commission on Audit*,[48] essentially emphasized that the scope of its audit powers under the law is not limited to the grounds initially cited by a government agency's auditor in its assessment of disallowed disbursement funds.[49]

Issue

The main issue for the Court's resolution is whether COA gravely abused its discretion in ruling that the petitioners are liable to refund the amount of PHP 408,859.16 to the Government.

The Court's Ruling

The Court dismisses the Petition for the following reasons: (1) the Petition was filed out of time; and (2) there is no showing of grave abuse of discretion on the part of COA.

The Petition was filed out of time

The Court has repeatedly held that the belated filing of the petition for certiorari under Rule 64 is fatal. Procedural rules should be treated with utmost respect and due regard since they are designed to facilitate the administration of justice.[50]

Section 3, Rule 64 of the Rules of Court provides that a petition for certiorari shall be filed within 30 days from notice of the judgment, final order, or resolution sought to be reviewed. The filing of a motion for new trial or reconsideration, if allowed under the procedural rules of the Commission concerned, shall interrupt the 30-day reglementary period. If the motion is denied, the aggrieved party may file the petition within the remaining period, which shall not be less than five days, reckoned from the notice of denial.

Here, the petitioners received a copy of the assailed Decision on October 16, 2018. While the Petition's statement of material dates did not indicate the date when the MR was filed, the records show that the petitioners filed the MR before COA Proper on November 12, 2018, or 27 days after receiving a copy of the assailed Decision. The petitioners then received a copy of the Resolution denying its MR on August 31, 2023.[51]

Since the petitioners had three days remaining to file an appeal, the provision under Rule 64 of the Rules of Court

shall apply, and the remaining period to file the petition shall be five days, reckoned from the notice of the denial of the MR, or until September 5, 2023. However, the Petition was filed only on October 2, 2023.[52] Having been filed out of time, the assailed rulings of COA Proper are deemed to have already attained finality.

As pointed out by Associate Justice Lazaro-Javier, the belated filing of the Petition triggers the application of the doctrine of immutability of judgment. Under this doctrine, a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and even if the modification is made by the court that rendered it or by the Highest Court of the land.[53]

Moreover, the records are bereft of any showing that the petitioners either filed a motion for extension of time or offered any compelling reason in their Petition to warrant the relaxation of the procedural rules.

Nonetheless, even if the Court were to disregard such fatal procedural infirmity, the Petition would still fail on the merits.

The petitioners' right to due process was not violated

The essence of due process is simply the opportunity to be heard, or to explain one's side, or to seek a reconsideration of the action or ruling complained of; thus, for as long as the party was afforded the opportunity to defend themselves, there is due process.[54]

In *Saligumba v. Commission on Audit*,[55] the Court explained that due process is complied with if the party who is properly notified of allegations against them is given an opportunity to defend themselves against those allegations, and such defense was considered by the tribunal in arriving at its own independent conclusions.[56]

Consequently, the Constitution vested COA with the duty to act as the guardian of public funds, clothed with broad powers and functions to ensure the proper disbursement and utilization of public funds, particularly:

(2) The Commission shall have exclusive authority, subject to the limitations in this Article, to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures, or uses of government funds and properties.[57] (Emphasis supplied)

Further, the Court has consistently recognized that COA, as the guardian of public funds, has the sole authority to define the scope of its audit and examination, institute techniques and methods of its review, and promulgate rules and regulations in connection with auditing and accounting practices.[58]

Relevantly, in *Yap*, the Court explained the scope of COA's audit powers in this wise:

[W]e have previously ruled that [COA's] exercise of its general audit power is among the constitutional mechanisms that give life to the check and balance system inherent in our form of government. Furthermore, [W]e have also declared that COA is endowed with enough latitude to determine, prevent and disallow irregular, unnecessary, excessive, extravagant or unconscionable expenditures of government funds.

Based on the foregoing discussion and due to the lack or absence of any law or jurisprudence saying otherwise, [W]e rule that, in resolving cases brought before it on appeal, respondent COA is not required to limit its review only to the grounds relied upon by a government agency's auditor with respect to disallowing certain disbursements of public funds. In consonance with its general audit power, respondent COA is not merely legally permitted, but is also duty-bound to make its own assessment of the merits of the disallowed disbursement and not simply restrict itself to reviewing the validity of the ground relied upon by the auditor of the government agency concerned. To hold otherwise would render COA's vital constitutional power unduly

limited and thereby useless and ineffective.[59] (Emphasis supplied)

The Court is not unmindful of the fact that in certain audit investigation cases COA may find it necessary to identify additional persons as liable, to adjust the amount suspended or disallowed, or to modify the nature of participation of the persons initially held responsible.[60] As clarified in *Yap*, COA Proper is vested with broad discretion to independently assess the merits of disallowance cases brought before it. Its role is not confined to merely affirming or rejecting the initial audit findings as stated in the Audit Observation Memorandum, Notice of Disallowance, or Notice of Suspension. Rather, it is duty-bound to thoroughly evaluate the case, give all concerned parties a fair opportunity to present their side, and render its own judgment.

Absent a clear showing that COA's supposed departure from the initial audit findings was made in violation of applicable laws, procedural rules, or the principles of fair play and due process, the Court will not readily set aside such findings on the ground of grave abuse of discretion.

The records clearly establish that the petitioners were given ample opportunity to be heard and that they actively participated in the proceedings before COA. There is also no need for COA to conduct a separate audit to settle the issue of determining the petitioner's percentage of accomplishment in relation to the Project, since this exact issue is already part and parcel of the subject audit.

Additionally, their appeal before the COA Cluster Director, as well as their subsequent MR before COA Proper, were both thoroughly evaluated and resolved on the merits. Notably, their prayer for compensation on the basis of quantum meruit was granted by the COA Cluster Director and reasonably upheld by COA Proper.

Unfortunately, their claim lost traction when COA determined that the reported accomplishments on the Project were overstated, resulting in a finding that the petitioners overpaid. Significantly, in arriving at this conclusion, COA, with the assistance of the COA TechITS, reviewed not only the Project's physical site, but also the supporting documents previously submitted by the petitioners to the BOC, including the accomplishment reports and billing statements. These circumstances clearly undermine the petitioners' claim that they were denied due process.

Also, as correctly pointed out by COA, the COA TechITS is not required to provide a copy of its inspection report to the contractor.[61] COA Memorandum No. 2009-083 on the Guidelines on the Operations of the TechITS of the COA Regional Offices state that the functions of the COA TechITS include "[providing] technical assistance to the auditors in the determination of the reasonableness of prices of goods, consulting services and infrastructure projects and on matters pertaining to other technical evaluation." [62] Nowhere is it stated in the COA Rules of Procedure and other relevant COA issuances that the COA TechITS should furnish the private contractor a copy of its findings or even inform the latter of its processes. Being an internal office, which is intended to provide technical support in government audits, the COA TechITS is answerable only to COA, and not to any private party. In any case, it is worth reiterating that COA Proper adopted the findings of the COA TechITS and that COA Proper gave the petitioners an opportunity to refute these findings in the proceedings before them.

From the foregoing, the unfounded notion that the petitioners were deprived of due process in the COA proceedings fails to convince the Court.

The petitioners' belated assertion of CIAC's jurisdiction

While the CIAC may have jurisdiction over the dispute by virtue of the arbitration clause in the construction contract between Lotrim and the BOC, the petitioners are barred from invoking such jurisdiction at this stage.

It is evident from the records that this issue was belatedly raised for the first time on appeal. In *Chinatrust (Phils.) Commercial Bank v. Turner*, [63] the Court reiterated the rule that issues not raised before the lower courts may

not be raised for the first time on appeal due to the basic rules of fair play, justice, and due process.[64] Accordingly, a party who adopts a certain theory upon which the case is tried and decided by the lower court will not be permitted to change theory on appeal.[65]

Relevantly, in *Tijam v. Sibonghanoy*,[66] the Court barred the party's belated objections on the lack of jurisdiction because such objection was only raised after an adverse decision was rendered by the lower court, and after it had already sought affirmative relief from the said court and actively participated in the proceedings.[67] In *Megan Sugar Corp. v. RTC, Branch 68, Dumangas, Iloilo*,[68] the Court explained that active participation in a case, combined with a failure to timely object to the jurisdiction of the forum, constitutes an implicit invocation of that jurisdiction and a willingness to abide by its resolution, thereby barring any later challenge.[69] This principle was reaffirmed in *Spouses Rebamonte v. Spouses Lucero*,[70] where the petitioners who participated in every stage of the proceedings and sought relief were estopped from belatedly claiming lack of jurisdiction, particularly after a 28-year delay without explanation.[71]

In line with these rulings, *Amoguis v. Ballado*[72] clarified that a bar to a jurisdictional challenge arises when: (1) there was a statutory right in favor of the claimant; (2) the statutory right was not invoked; (3) an unreasonable length of time lapsed before the claimant raised the issue of jurisdiction; (4) the claimant actively participated in the case and sought affirmative relief from the court without jurisdiction; (5) the claimant knew or had constructive knowledge of which forum possesses subject matter jurisdiction; and (6) irreparable damage will be caused to the other party who relied on the forum and the claimant's implicit waiver.[73]

All these circumstances are present in this case. As previously discussed, the petitioners actively participated in the proceedings before COA and sought affirmative relief. They filed an appeal before the COA Cluster Director to substantiate their claim for compensation on the basis of quantum meruit and later moved for reconsideration before COA Proper. As highlighted by Associate Justice Singh, it was only on September 29, 2023, nearly eight years after the COA Cluster Director's Decision and more than four years after COA Proper's ruling, that the petitioners first raised the issue of CIAC jurisdiction. This clearly demonstrates an unreasonable delay in challenging COA's jurisdiction. Collectively, these actions constitute a waiver of any belated objection.

Thus, while the CIAC generally has jurisdiction over construction disputes subject to arbitration, such jurisdiction is not absolute and may be waived by the party's conduct. Here, the petitioners' failure to timely invoke CIAC jurisdiction, coupled with their voluntary and active participation in the COA proceedings, including their pursuit of affirmative relief, effectively bars them from later invoking arbitration. Accordingly, the petitioners are estopped from asserting CIAC jurisdiction at this late stage.

Determination of amount due from Lotrim in the Project

Finally, it is undisputed that both parties are of the opinion that the petitioners must be compensated for its works on the Project based on the principle of quantum meruit.

In *Torreta v. Commission on Audit*,[74] the Court reiterated and clarified its pronouncements on the principle of quantum meruit, thus:

Verily, the peculiarity of cases involving government contracts for procurement of goods or services necessitates the promulgation of a separate guidelines for the return of the disallowed amounts. In these cases, it is deemed fit that the passive recipients be ordered to return what they received subject to the application of the principle of quantum meruit. Quantum [meruit] literally means "as much as he deserves." Under this principle, a person may recover a reasonable value of the thing he delivered or the service he rendered. The principle also acts as a device to prevent undue enrichment based on the equitable postulate that it is unjust for a person to retain benefit without paying for it. The principle of quantum [meruit] is predicated on equity. In

the case of *Geronimo v. COA*, it has been held that "the [r]ecovery on the basis of quantum [meruit] was allowed despite the invalidity or absence of a written contract between the contractor and the government agency." In *Dr. Eslao v. COA*, the Court explained that the denial of the contractor's claim would result in the government unjustly enriching itself. The Court further reasoned that justice and equity demand compensation on the basis of quantum [meruit]. Thus, in applying this principle, the amount in which the petitioners together with the other liable individuals shall be equitably reduced.[75] (Emphasis supplied, citations omitted)

The principle of quantum meruit, which is grounded in fairness and equity, is designed to protect private contractors who have rendered services or delivered goods to the government by ensuring that they are compensated for the reasonable value of their work, and by preventing the State from being unjustly enriched at their expense. This equitable doctrine, however, cannot be distorted into a shield for contractors to retain payments in excess of what is legally or contractually due. Its equitable nature cuts both ways: while it obliges the government to pay for benefits actually received, it likewise safeguards public funds by allowing the recovery of overpayments. Thus, while the principle serves as a remedy to avoid inequity, it must be applied judiciously, with due regard to both the rights of the private contractor and the paramount interest of protecting public resources.

Indeed, the Court recognizes the expertise of COA in determining the amount due to or due from the petitioners on the basis of quantum meruit. In *Torreta*, the Court had this to say:

Well-settled is the rule that factual findings of administrative agencies are generally respected and even afforded finality because of the special knowledge and expertise gained by these agencies from handling matters falling under their specialized jurisdiction. By reason of their special knowledge and expertise over matters falling under their jurisdiction, administrative agencies are in a better position to pass judgment thereon, and their findings of fact are generally accorded great respect, if not finality by the courts. Such findings must be respected as long as they are supported by substantial evidence even if such evidence is not overwhelming or even preponderant. It is not the task of the appellate court or this Court to once again weigh the evidence submitted before and passed upon by the administrative body and to substitute its own judgment regarding the sufficiency of the evidence.[76]

Consequently, it is only when COA has clearly acted without or in excess of its jurisdiction, or with grave abuse of discretion amounting to lack or in excess of jurisdiction has the Court reversed its decisions or resolutions.[77]

In this case, absent any showing of grave abuse of discretion amounting to lack or excess of jurisdiction on the part of COA in holding the petitioners liable for the overpaid amount, the Court finds no reason to disturb, much less overturn, the assailed rulings. COA acted well within its constitutional mandate to safeguard public funds and ensure that no disbursement of government resources is made except in accordance with law. Its findings, being supported by substantial evidence and rendered pursuant to its specialized expertise, are entitled to great respect and finality. Accordingly, the Court upholds COA's determination and affirms the liability of the petitioners for the return of the overpayment.

ACCORDINGLY, the Petition is DISMISSED. The January 30, 2018 Decision No. 2018-204 and the January 28, 2022 Resolution No. 2022-010 of the Commission on Audit are AFFIRMED.

The Commission on Audit is DIRECTED to implement the assailed rulings and to take the appropriate measures for the collection of the amounts found to have been overpaid to petitioner Lotrim Construction, Inc., consistent with the principle of quantum meruit and subject to applicable laws, rules, and regulations.

SO ORDERED.

Gesmundo, C.J., Leonen, S.A.J., Caguioa, Inting, Zalameda, Gaerlan, Dimaampao, Marquez, Kho, Jr., Singh, and Villanueva, JJ., concur.

Hernando,[*] J., on leave.

Lazaro-Javier,[*][*] J., on official business but left a concurring vote.

Lopez,[*][*][*] J., on official business.

[*] On leave.

[*][*] On official business but left a concurring vote.

[*][*][*] On official business.

[1] Rollo, pp. 5-27.

[2] Id. at 28-45. The January 30, 2018 Decision No. 2018-204 was rendered by Chairperson Michael G. Aguinaldo, Commissioner Jose A. Fabia, and Commissioner Isabel D. Agito of the Commission on Audit, Quezon City. Chairperson Michael D. Aguinaldo issued his separate Concurring and Dissenting Opinion to the Decision.

[3] Id. at 51. The January 28, 2022 En Banc Resolution No. 2022-010 was signed by Bresilo R. Sabaldan, Director IV of the Office of the Commission Secretariat, Commission on Audit, Quezon City.

[4] Id. at 41.

[5] Id. at 29, 37.

[6] Id. at 29. The BOC-Manila conducted the first public bidding for the Project on October 30, 2012, which turned out unsuccessful as the bids submitted were deemed as "nonresponsive." The rebidding was conducted on December 20, 2012.

[7] Id. at 55.

[8] Id. at 29-30.

[9] Id. at 56-62.

[10] Also referred to as "Engr. Gabiola" in some parts of the rollo.

[11] Rollo, p. 63.

[12] Id. at 30.

[13] Id. at 31.

[14] Id. at 64-66.

[15] The Government Auditing Code of the Philippines (1978).

[16] An Act Further Amending Certain Sections of Presidential Decree No. 1177, as amended, titled "Revising the Budget Process in Order to Institutionalize the Budgetary Innovations of the New Society" (1981).

[17] Rollo, p. 31.

[18] Id. at 32.

[19] Id. at 67.

[20] Id. at 10.

[21] Id. at 68-83.

[22] Id. at 32-33.

[23] Id. at 34.

[24] Id. at 84-86.

[25] Id. at 34.

[26] Id. at 87-91.

[27] Id. at 34-35, 91.

[28] Id. at 35.

[29] Not attached to the rollo.

[30] Rollo, pp. 35-36.

[31] Id. at 36.

[32] 2009 Revised Rules of Procedure of the Commission on Audit, Rule V, sec. 7.

[33] Rollo, pp. 41-42.

[34] Id. at 37. The records disclose that the MOOE was allotted to cover the funds for the electricity, telephone, and travel expenses and repairs and maintenance of the BOC-Manila for general administration and services; for assistance in the prosecution of cases involving violations of customs laws and regulations, including administrative cases; and for assessment and collection.

[35] Id. at 37-39.

[36] Id. at 40 COA Proper presented the following computation reflecting the overpayment to Lotrim:

Disbursement No./Date

Particulars

Gross Amount

0413-0164/April 12, 2013

Advance payment

[PHP] 2,580,480.48

0613-0321/June 17, 2013

First partial payment

5,568,341.04

Total

8,148,821.52

Less:

Recoupment

835,301.53

10% Retention

556,834.10

1,392,135.63

Total payments

6,756,685.89

Less: Actual accomplishment of per the COA TechITS

6,347,826.73

Overpayment

[PHP] 408,859.16

[37] Id. at 39-40.

[38] Id. at 46-50.

[39] Id. at 47-48.

[40] Id. at 51.

[41] Id. at 14.

[42] Id. at 15-16.

[43] Id. at 17-20; COA Circular No. 2009-006 pertains to the Rules and Regulations on Settlement of Accounts (2009).

[44] An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes (2002).

[45] Rollo, pp. 20-21.

[46] Id. at 150-176.

[47] Id. at 163-166.

[48] 633 Phil. 174 (2010) [Per J. Leonardo-De Castro, En Banc].

[49] Rollo, pp. 166-167.

[50] *Abpi v. Commission on Audit*, 877 Phil. 362, 373-374 (2020) [Per J. Delos Santos, En Banc].

[51] Rollo, pp. 6-7.

[52] Id. at 1.

[53] *Abpi v. Commission on Audit*, 877 Phil. 362, 379-380 (2020) [Per J. Delos Santos, En Banc].

- [54] *Henson v. Commission on Audit*, 876 Phil. 474, 485 (2020) [Per J. Hernando, En Banc].
- [55] 882 Phil. 665 (2020) [Per C.J. Peralta, First Division].
- [56] *Id.* at 678-679, citing *Gutierrez v. Commission on Audit*, 750 Phil. 413, 430 (2015) [Per J. Leonen, En Banc].
- [57] CONST., art. IX-D, sec. 2(2).
- [58] See *Paguio v. Commission on Audit*, 931 Phil. 489, 497 (2022) [Per J. Lopez, J., En Banc].
- [59] *Yap v. Commission on Audit*, 633 Phil. 174, 190-191 (2010) [Per J. Leonardo-De Castro, En Banc].
- [60] See *Salazar v. Commission on Audit*, 954 Phil. 135, 146 (2024) [Per J. Dimaampao, En Banc].
- [61] *Rollo*, p. 164.
- [62] COA Memorandum No. 2009-083 (2009).
- [63] 812 Phil. 1, 16 (2017) [Per J. Leonen, Second Division].
- [64] *Id.* at 16; citing *Vitug v. Abuda*, 776 Phil. 540, 551 (2016) [Per J. Leonen, Second Division]; *Maxicare PCIB Cigna Healthcare v. Contreras*, 702 Phil. 688, 696 (2013) [Per J. Mendoza, Third Division].
- [65] *Id.* at 16-17, citing *Philippine Ports Authority v. City of Iloilo*, 453 Phil. 927, 934-935 (2003) [Per J. Azcuna, First Division].
- [66] 131 Phil. 556 (1968) [Per J. Dizon, En Banc].
- [67] *Id.* at 563-564.
- [68] 665 Phil. 245 (2011) [Per J. Peralta, Second Division].
- [69] *Id.* at 260.
- [70] 864 Phil. 286 (2019) [Per J. Caguioa, Second Division].
- [71] *Id.* at 301-302.
- [72] 839 Phil. 1 (2018) [Per J. Leonen, Third Division].
- [73] *Id.* at 29-30.
- [74] 889 Phil. 1119 (2020) [Per J. Gaerlan, En Banc].
- [75] *Id.* at 1148-1149.
- [76] *Torreta v. Commission on Audit*, 889 Phil. 1119, 1139 (2020) [Per J. Gaerlan, En Banc].
- [77] See *Miralles v. Commission on Audit*, 818 Phil. 380, 389 (2017) [Per J. Bersamin, En Banc].

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