

ELPIDIO S. UY, DOING BUSINESS UNDER THE NAME AND STYLE OF EDISON DEVELOPMENT & CONSTRUCTION, PETITIONER, VS. PUBLIC ESTATES AUTHORITY, RESPONDENT.

G.R. Nos. 147925-26. July 07, 2010

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-nos-147925-26/>

NACHURA, J.:

Before us are (i) the Motion for Partial Reconsideration filed by petitioner Elpidio S. Uy (Uy), doing business under the name and style of Edison Development & Construction (EDC), and (ii) the Motion for Reconsideration filed by respondent Public Estates Authority (PEA) of our June 8, 2009 Decision, the fallo of which reads:

WHEREFORE, the petition is PARTIALLY GRANTED. The assailed Joint Decision and Joint Resolution of the Court of Appeals in CA-G.R. SP Nos. 59308 and 59849 are AFFIRMED with MODIFICATIONS. Respondent Public Estates Authority is ordered to pay Elpidio S. Uy, doing business under the name and style Edison Development and Construction, P55,680,492.38 for equipment rentals on standby; P2,275,721.00 for the cost of idle manpower; and P6,050,165.05 for the construction of the nursery shade net area; plus interest at 6% per annum to be computed from the date of the filing of the complaint until finality of this Decision and 12% per annum thereafter until full payment. Respondent PEA is further ordered to pay petitioner Uy 10% of the total award as attorney's fees.

SO ORDERED.[1]

Uy seeks partial reconsideration of our Decision. He argues that:

I

x x x THE HONORABLE COURT ERRED IN THE COMPUTATION OF THE DAMAGES DUE THE PETITIONER FOR THE STANDBY EQUIPMENT COST.

II

x x x PETITIONER SHOULD BE REIMBURSED FOR COSTS INCURRED FOR ADDITIONAL HAULING DISTANCE OF TOPSOIL ALSO BECAUSE THE EVIDENCE ON RECORD CONFIRMS THE EXISTENCE OF RESPONDENT PEA'S WRITTEN CONSENT, AND THE FACT THAT IT IS INDESPENSABLE TO COMPLETING THE PROJECT. WITHOUT SUCH ASSURANCE OF REIMBURSEMENT, PETITIONER WOULD NOT HAVE TAKEN SUCH PRUDENT ACTION.

III

x x x PETITIONER SHOULD BE ALLOWED TO RECOVER THE COSTS HE INCURRED FOR THE MOBILIZATION OF WATER TRUCKS ALSO BECAUSE RESPONDENT BREACHED ITS OBLIGATIONS UNDER THE CONTRACT.

IV

WITH REGARD TO THE COURT OF APPEALS' ILLEGAL INJUNCTION PREVENTING PETITIONER FROM RECOVERING HIS CLAIMS AGAINST RESPONDENT PEA IN CIAC CASE NO. 03-2001, THIS SHOULD HAVE BEEN LIFTED SINCE IT INVOLVES CLAIMS SEPARATE AND DISTINCT FROM THE CASE A QUO.[2]

PEA, on the other hand, assails the Decision on the following grounds:

I.

THE FACTUAL FINDINGS AND CONCLUSIONS OF THE CONSTRUCTION INDUSTRY ARBITRATION COMMISSION (CIAC) INsofar AS THE ARBITRAL AWARD TO PETITIONER IS CONCERNED, WHICH THE COURT OF APPEALS AND THE FIRST DIVISION OF THIS HONORABLE COURT AFFIRMED, HAS LONG BECOME FINAL AND EXECUTORY.

II.

THE CIAC ARBITRAL AWARD HAD ALREADY BEEN IMPLEMENTED UNDER WRIT OF EXECUTION DATED 19 SEPTEMBER 2000, WRIT OF EXECUTION DATED 31 AUGUST 2001 AND SUPPLEMENTAL WRIT OF EXECUTION DATED 10 APRIL 2002.[3]

We will deal first with Uy's motion.

Uy objects to the factor rate used in the computation of the award for standby equipment costs. He points out that the actual number of equipment deployed and which remained on standby, occasioned by the delay in delivery of work areas, has not been considered in the computation. The Association of Carriers and Equipment Lessors (ACEL) rate or the factor rate used was only the total average rate, without regard to the actual number of equipment deployed. He, therefore, insists that an increase in the award is in order.

We find Uy's argument on this point meritorious; and this Court is swayed to modify the formula used in the computation of the award.

The Certification,[4] dated December 6, 1996, shows that EDC mobilized the following equipment for the Heritage Park Project, viz.:

Description

Number

Road Grader

2

Pay Loader

2

Dump Trucks

10

Tractor with attachments

2

Backhoe

2

Delivery Trucks

3

Rolo-tiller

0

Concrete Mixer

4

Bar Cutter

2

Welding Machine

2

Roller

1

Bulldozer

1

Concrete Cutter

2

Plate Compactor

2

Compressor/Jack Hammer

3

Genset - 5KVA

1

Electric drill/ Holesaw

4

These equipment remained in the project site on the days that EDC was waiting for the turnover of additional work areas.[5] Thus, we agree with Uy that the actual number of equipment mobilized should be included in computing the award for standby equipment cost. The award must, therefore, be modified using the following formula:

Actual period of delay (18.2 months) x average rate per ACEL x number of equipment

However, we cannot simply accept in full Uy's claim that he is entitled to P71,009,557.95 as standby equipment cost. The records show that not all of the equipment were operational; several were under repair.[6] Accordingly, we find it necessary to remand the records of the case to the Construction Industry Arbitration Commission (CIAC), which decided the case in the first instance, for the proper computation of the award of standby equipment cost based on the foregoing formula.

On the claim for costs for additional hauling distance of topsoil and for mobilization of water truck, we maintain our ruling that a written approval of PEA's general manager was indispensable before the claim for additional cost can be granted. In this case, the additional costs were incurred without the written approval of PEA. The denial of Uy's claims was, therefore, appropriate.

We cannot sustain this claim that is premised mainly on the principle of unjust enrichment. We stress that the principle of unjust enrichment cannot be validly invoked by a party who, through his own act or omission, took the risk of being denied payment for additional costs by not giving the other party prior notice of such costs and/or by not securing their written consent thereto, as required by law and their contract.[7]

Similarly, we find no cogent reason to lift the injunction issued in CIAC Case No. 03-2001. We are not persuaded by Uy's argument that the claims under CIAC Case No. 03-2001 are different from his claims in CIAC Case No. 02-2000. As we explained in our Decision, there is only one cause of action running through Uy's undertakings - the violation of his alleged right under the Landscaping and Construction Agreement. Therefore, the landscaping agreement is indispensable in the prosecution of his claims in both CIAC Cases No. 02-2000 and No. 03-2001. We reiterate that a party, either by varying the form or action or by bringing forward in a second case additional parties or arguments, cannot escape the effects of res judicata when the facts remain the same, at least where such new parties or matter could have been impleaded or pleaded in the prior action.

In fine, except for the claim for standby equipment costs, this Court finds no cogent reason to depart from our June 8, 2009 Decision.

We now go to PEA's motion.

PEA insists that our Decision in this case transgresses the principle of res judicata. It asserts that the propriety of Uy's monetary claims against PEA had already been considered and passed upon by this Court in G.R. Nos. 147933-34.

The argument is specious.

In G.R. Nos. 147933-34, this Court was very explicit in its declaration that its Decision was independent of, and without prejudice to, the appeal filed by Uy, viz.:

However, in order not to prejudice the deliberations of the Court's Second Division in G.R. Nos. 147925-26, it should be stated that the findings made in this case, especially as regards the correctness of the findings of the CIAC, are limited to the arbitral awards granted to respondent Elpidio S. Uy and to the denial of the counterclaims of petitioner Public Estates Authority. Our decision in this case does not affect the other claims of respondent Uy which were not granted by the CIAC in its questioned decision, the merits of which were not submitted to us for determination in the instant petition.[8]

Indubitably, this Court's Decision in G.R. Nos. 147933-34 will not bar the grant of additional award to Uy.

WHEREFORE, Uy's Motion for Partial Reconsideration is PARTLY GRANTED. PEA's Motion for Reconsideration, on the other hand, is DENIED with FINALITY. The assailed Decision dated June 8, 2009 is AFFIRMED with MODIFICATION as to the award of standby equipment cost. The case is hereby REMANDED to the Construction Industry Arbitration Commission solely for the purpose of computing the exact amount of standby equipment cost pursuant to the formula herein specified. The CIAC is DIRECTED to compute the award and effect payment thereof within thirty (30) days from receipt of the records of this case.

No further pleadings will be entertained.

SO ORDERED.

Corona, C.J.[*] Velasco, Jr.,[**] Brion,[***]and Peralta, JJ., concur.

[*]Designated member vice Associate Justice Minita V. Chico-Nazario (ret.) per Special Order No. 631 dated April 29, 2009.

[**] Designated member vice Associate Justice Conchita Carpio Morales per Special Order No. 649 dated May 25, 2009.

[***]Designated member vice Associate Justice Consuelo Ynares-Santiago (ret.) per Raffle dated October 21, 2009.

[1] Rollo, p. 995.

[2] Id. at 999.

[3] Id. at 1047.

[4] Exhibit "J"; Folder No. 2, CIAC Case No. 02-2002.

[5] See Exhibits "F," "H-1" to "H-29," "I"; id.

[6] See Exhibit C-1," id.

[7] Powton Conglomerate, Inc. v. Agcolicol, 448 Phil. 643 (2003).

[8] Public Estates Authority v. Uy, 423 Phil. 407, 419 (2001).

ABOUT BATAS.ORG

Study smarter at BATAS.org

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

The complete Philippine law library - free for everyone.

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

Audio case-brief lectures.

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

Bar review built on the science of memory.

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

The full law-school curriculum.

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

Mock exams that tell you where you stand.

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

A study planner that keeps you on pace.

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

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

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

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

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