



Republic of the Philippines  
**Supreme Court**  
 Manila

SUPREME COURT OF THE PHILIPPINES  
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**FIRST DIVISION**

**LAND BANK OF THE PHILIPPINES,**

Petitioner,

- versus -

**MEGAWORLD CORPORATION,**  
 Respondent.

**G.R. Nos. 193893-94**

Present:

BERSAMIN, *Chief Justice*,  
 PERLAS-BERNABE,  
 GESMUNDO,  
 CARANDANG, and  
 ZALAMEDA, *JJ.*

Promulgated:

**OCT 09 2019**

**DECISION**

**BERSAMIN, C.J.:**

Land Bank of the Philippines (Landbank) appeals to reverse and set aside the consolidated decision promulgated on September 27, 2010 by the Court of Appeals (CA) in C.A.-G.R. SP No. 102116 involving the proper computation of its counterclaim as against the claim of respondent Megaworld Corporation (Megaworld) arising from their contract for the construction of Landbank's corporate headquarters in Malate, Manila.<sup>1</sup>

**Antecedents**

Landbank is the registered owner of a parcel of land with an area of 12,739.30 square meters (property) situated in Malate, Manila. In 1995, it entered into a property development contract (agreement)<sup>2</sup> whereby Megaworld undertook to construct on the property a 35-storey building to be known as the Landbank Plaza, Landbank's proposed corporate headquarters

<sup>1</sup> *Rollo*, pp. 70-97; penned by Associate Justice Franchito N. Diamante, with Associate Justice Josefina Guevara-Salonga and Associate Justice Mariflor P. Punzalan Castillo concurring.

<sup>2</sup> *Id.* at 187-214.

that would include a first-class commercial and residential condominium complex (project).<sup>3</sup>

In 1999, Megaworld notified Landbank that it had already completed the project. Nonetheless, Landbank did not issue a certificate of completion and acceptance in favor of Megaworld, but only released ₱168 million from the money retained under the agreement based on the accomplishment rate of 96.7586%.<sup>4</sup>

Almost three years following the notice of completion, Landbank had wholly occupied the project. Insisting that Landbank had not yet settled its balance in full, Megaworld demanded payment of the retention money equivalent to 10% of every progress billing,<sup>5</sup> as well as payment of its billings for various change orders and rectification works performed from July 1999 to August 2002. When its demands went unheeded, Megaworld brought a claim for collection against Landbank in the Construction Industry Arbitration Commission (CIAC).<sup>6</sup>

In its answer, Landbank denied liability for the several change orders being claimed by Megaworld; and countered that it had performed certain works at its own expense, for which it had to procure the services of other contractors [e.g., Landbank Realty and Development Corporation (LRDC) and Professor Torsten Calvi Corporation (PTCC)]<sup>7</sup> to complete the project because of Megaworld's delay in correcting the reported defects. Landbank asserted that Megaworld should reimburse it for the additional costs, and be further liable for exemplary damages and attorney's fees.<sup>8</sup>

The parties agreed to Terms of Reference (TOR) in the CIAC.<sup>9</sup> The TOR partly stipulated:

#### X. PRESENTATION OF EVIDENCE

Presentation of testimonial evidence shall be by way of affidavits of witnesses (with all the documentary evidence identified and attached thereto) in lieu of direct testimony, to be submitted to the CIAC Secretariat in two (2) copies, and one copy furnished the opposing party. All affidavits of witnesses shall be submitted simultaneously. All documentary evidence submitted by the parties shall be admitted, leaving to the Arbitral Tribunal the determination of the appropriate weight to be given to such evidence.

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<sup>3</sup> Id. at 71.

<sup>4</sup> Id. at 72-73.

<sup>5</sup> Id. at 195.

<sup>6</sup> Id. at 73.

<sup>7</sup> Id. at 144.

<sup>8</sup> Id. at 74.

<sup>9</sup> Id. at 177-185.

Conformably with the TOR, the parties submitted affidavits of their respective witnesses, the lists of exhibits, and offers of documents. They began presenting evidence on October 22, 2007.<sup>10</sup>

On October 30, 2007, Landbank offered additional documents as evidence in the CIAC<sup>11</sup> but without having previously furnished Megaworld with copies thereof prior to the trial.<sup>12</sup> In the order dated November 9, 2007, therefore, the CIAC denied Landbank's offer of additional documents as evidence for violating Section 13.9, Rule 13 of the *Revised Rules of Procedure Governing Construction Arbitration* (Arbitration Rules), to wit:

SECTION 13.9 *Offer of documents.* – All documents not offered with the Arbitral Tribunal at the hearing but which are arranged at the hearing subsequently by agreement of the parties to be submitted, shall be filed within five (5) days from the termination of the hearing. All parties shall be afforded an opportunity to examine such documents.

Landbank moved for the reconsideration of the denial, insisting that it had substantially complied with Section 13.9. It stated that, firstly, it had repeatedly manifested the intention to submit the additional documents during the formal hearing;<sup>13</sup> secondly, Megaworld had not objected to its manifestation;<sup>14</sup> thirdly, Megaworld had been given the opportunity to examine the additional documents being submitted because Landbank had personally served copies of the documents upon the latter's counsel on October 30, 2007; fourthly, it had submitted the documents within five days from the formal hearing's termination;<sup>15</sup> and, fifthly, some of the additional documents had been identified by its witnesses in the course of their testimonies and admitted by the CIAC.<sup>16</sup>

After Megaworld commented on Landbank's motion for reconsideration,<sup>17</sup> the CIAC granted the motion and admitted all of Landbank's additional documents on December 15, 2007.<sup>18</sup>

### **The CIAC's Arbitral Award**

Six days later, or on December 21, 2007, the CIAC rendered its original award recognizing Megaworld's claims totaling ₱77,820,406.03 and

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<sup>10</sup> Id. at 74.

<sup>11</sup> Id. at 362-365.

<sup>12</sup> Id. at 74-75.

<sup>13</sup> Id. at 383.

<sup>14</sup> Id. at 384.

<sup>15</sup> Id. at 385.

<sup>16</sup> Id. at 385-388.

<sup>17</sup> Id. at 397-400.

<sup>18</sup> Id. at 409-410.

Landbank's counterclaims of ₱70,820,738.44, and awarding in favor of Megaworld the net amount of ₱6,999,667.59,<sup>19</sup> computed as follows:

<u>Megaworld's Claims</u>		
Unpaid balance of the original contract	₱58,807,095.16	
Approved changed orders under Batch No. 1	708,975.80	
Approved changed orders under Batch No. 2	8,240,058.00	
Damages from forced work suspension	2,520,000.00	
Balance of retention money held by Landbank	7,544,277.07	
Subtotal		₱77,820,406.03
<u>Landbank's Counterclaims</u>		
<i>Items to be deducted from Megaworld's claim:</i>		
As admitted by Megaworld	₱1,776,791.50	
Magnetic door contact and CCTV	2,924,000.00	
Downgrading of the stainless to a painted steel tank	899,504.00	
Telephone manholes	36,585.13	
Works on open trenches at the basement and parking areas	2,017,377.12	
<i>Rectification works</i>		
Curtain wall/punched windows and ground floor glass curtain wall	40,975,126.41	
Slope of parking areas	16,200,000.00	
<i>Other costs</i>		
Removal of protruding bars	61,155.00	
Electrical works for the telephone system	4,717,619.28	
Waterproofing at the toilet areas	603,050.00	
Concrete topping at the toilet areas	189,530.00	
Waterproofing at the 4th floor parking area	420,000.00	
Subtotal		70,820,738.44
<b>Net award due to Megaworld</b>		<b>₱6,999,667.59</b>

Landbank moved to correct the original award.<sup>20</sup>

After evaluating Landbank's motion and Megaworld's opposition,<sup>21</sup> the CIAC amended the award on January 28, 2008 by increasing Landbank's counterclaims to ₱71,640,607.82, and decreasing the net award in favor of Megaworld to ₱6,179,798.21 (amended award),<sup>22</sup> viz:

<u>Megaworld's Claims</u>		
Unpaid balance of the original contract	₱58,807,095.16	
Approved changed orders under Batch No. 1	708,975.80	
Approved changed orders under Batch No. 2	8,240,058.00	
Damages from forced work suspension	2,520,000.00	
Balance of retention money held by Landbank	7,544,277.07	
Subtotal		₱77,820,406.03
<u>Landbank's Counterclaims</u>		
<i>Items to be deducted from Megaworld's claim:</i>		
As admitted by Megaworld	₱1,776,791.50	
Magnetic door contact and CCTV	2,924,000.00	
Downgrading of the stainless to a painted steel tank	899,504.00	
Telephone manholes	36,585.13	
Works on open trenches at the basement and parking areas	2,017,377.12	

<sup>19</sup> Id. at 168-169.

<sup>20</sup> Id. at 411-416.

<sup>21</sup> Id. at 418-419.

<sup>22</sup> Id. at 170-175.

Megaworld's share in Meralco billings	288,000.00
<i>Rectification works</i>	
Curtainwall/punched windows, ground floor glass curtainwall	40,975,126.41
Slope of parking areas	16,200,000.00
Additional	399,453.66
<i>Other costs</i>	
Removal of protruding bars	61,155.00
Electrical works for the telephone system	4,717,619.28
Waterproofing at the toilet areas	603,050.00
Concrete topping at the toilet areas	189,530.00
waterproofing at the 4th floor parking area	420,000.00
Land use and fees in securing location clearance	<u>132,415.72</u>
Subtotal	71,640,606.82
<b>Net award due to Megaworld</b>	<b>₱6,179,798.21</b>

Both parties appealed to the CA.

### Decision of the CA

On its part, Landbank disputed the following items in relation to Megaworld's claim, namely: (1) the unpaid balance of the original contract amounting to ₱58,807,095.16; and (2) damages from forced work suspension aggregating ₱2,520,000.00.

On the other hand, Megaworld assailed the following portions of the counterclaim of Landbank, specifically: (1) deductions from its claims pertaining to works on open trenches/canals valued at ₱2,017,377.12, and its share in the Meralco billings in the sum of ₱288,000.00; (2) rectification works pertaining to curtain wall/punched windows and ground floor glass curtain wall costing ₱40,975,126.41, and to the slope of parking areas costing ₱16,200,000.00; (3) other costs such as those for electrical works for the telephone system in the amount of ₱4,717,619.28, and land use and fees in securing location clearance in the sum of ₱132,415.72.

In its consolidated decision, the CA modified the net award in favor of Megaworld to ₱35,779,501.32, viz:

In view of all the foregoing, the Amended Award rendered by the Construction Industry Arbitration Commission (CIAC), as contained in the Order dated January 28, 2008, in CIAC Case No. 23-2007, is hereby MODIFIED in that:

(1) The award granted to Land Bank of the Philippines for rectification words on the curtain wall, punched windows and ground floor glass curtain wall is equitably reduced to **Php32,293,042.58** from Php40,975,126.41;

(2) The amount of Php16,200,000.00 awarded to Land Bank of the Philippines for rectification works on slopes for parking areas is **deleted**; and

(3) The amount of Php4,717,619.28 awarded to Land Bank of the Philippines for the cost of electrical works for the telephone system is likewise **deleted**.

The total award in favor of Land Bank of the Philippines is **Php42,040,904.71** (Php71,640,607.82 - [P8,682,083.83 + 16,200,000.00 + 4,717,619.28]).

**OFFSETTING** the amount awarded in favor of Megaworld Corporation (Php77,820,406.03) as against that awarded in favor of Land Bank of the Philippines (Php42,040,904.71), a **NET AMOUNT** of Php35,779,501.32 remains in favor of Megaworld Corporation. Legal interest of six percent per annum (6% p.a.) on said sum shall be added thereto from the date of this award. After finality hereof, interest at twelve percent per annum (12% p.a.) shall be added until full payment is made.<sup>23</sup>

In effect, the adjusted computation of the net award was as follows:

<u>Megaworld's Claims</u>		
Unpaid balance of the original contract	₱58,807,095.16	
Approved changed orders under Batch No. 1	708,975.80	
Approved changed orders under Batch No. 2	8,240,058.00	
Damages from forced work suspension	2,520,000.00	
Balance of retention money held by Landbank	7,544,277.07	
Subtotal		₱77,820,406.03
<u>Landbank's Counterclaims</u>		
<i>Items to be deducted from Megaworld's claim:</i>		
As admitted by Megaworld	₱1,776,791.50	
Magnetic door contact and CCTV	2,924,000.00	
Downgrading of the stainless to a painted steel tank	899,504.00	
Telephone manholes	36,585.13	
Works on open trenches at the basement and parking areas	2,017,377.12	
Megaworld's share in Meralco billings	288,000.00	
<i>Rectification works</i>		
<b>Curtain wall/punched windows, ground floor glass curtain wall</b>	<b>32,293,042.58</b>	
<b>Slope of parking areas</b>	-	
Additional	399,453.66	
<i>Other costs</i>		
Removal of protruding bars	61,155.00	
<b>Electrical works for the telephone system</b>	-	
Waterproofing at the toilet areas	603,050.00	
Concrete topping at the toilet areas	189,530.00	
waterproofing at the 4th floor parking area	420,000.00	
Land use and fees in securing location clearance	132,415.00	
Subtotal		42,040,903.99
<b>Net award due to Megaworld</b>		<b><u>₱35,779,502.42</u></b>

In fine, the CA affirmed the CIAC's amended award subject to the modification of selected disputed items pertaining to Landbank's

<sup>23</sup> Id. at 95-96.

counterclaim, as follows: (1) by reducing the cost of rectification works pertaining to curtain wall/punched windows and the ground floor glass curtain wall (from ₱40,975,126.41 in the CIAC's amended award to ₱32,293,042.58, a decrease of ₱8,682,083.83); (2) by denying other costs such as electrical works for the telephone system (deleting ₱4,717,619.28 from the CIAC's amended award); and (3) by denying the cost of rectification works pertaining to the slope of parking areas (deleting ₱16,200,000.00 from the CIAC's amended award).

As a result, the net award granted to Megaworld increased by ₱29,599,703.11<sup>24</sup> compared to the CIAC's amended award.

### Issues

In this appeal, Landbank submits the following for consideration:

A.

WHETHER OR NOT THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR IN DELETING THE TOTAL AMOUNT OF ₱16,200,000.00 REPRESENTING THE CIAC COMPUTED CLAIM FOR RECTIFICATION COSTS FOR THE SLOPE TO DRAIN CONCRETE TOPPING AT PARKING AREAS AND DECK SLAB IN FAVOR OF LAND BANK.

B.

WHETHER OR NOT THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT MATERIALLY REDUCED THE CIAC AWARDED CLAIM OF LAND BANK ON THE RECTIFICATION OF THE GLASS CURTAIN WALLS AND IN UPHOLDING THE DENIAL OF THE CLAIM FOR THE FEES OF THE CONSULTANT.

C.

WHETHER OR NOT THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT DELETED THE CIAC AWARDED CLAIM OF LAND BANK FOR THE COST OF ELECTRICAL WORK FOR THE TELEPHONE SYSTEM IN THE AMOUNT OF ₱4,717,619.28.

<sup>24</sup> Net increase in the amount due to Megaworld:

	CIAC Amended Award	CA Decision	Difference
Cost of rectification works on curtainwall	₱40,975,126.41	₱32,293,042.58	₱8,682,083.83
Cost of rectification works on parking area slope	16,200,000.00	-	16,200,000.00
Electrical works for the telephone system	4,717,619.28	-	4,717,619.28
Net increase of amount payable to Megaworld/by Landbank			₱29,599,703.11
add: CIAC Amended Award			6,179,798.21
Amount payable to Megaworld/by Landbank per CA Decision			<u>₱35,779,501.32</u>

D.

WHETHER OR NOT THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR WHEN IT UPHELD THE CIAC RULING AWARDING THE AMOUNT OF PHP58,507,095.16 TO MEGAWORLD AS THE BALANCE OF THE ORIGINAL CONTRACT PRICE DESPITE THE FAILURE ON THE PART OF MEGAWORLD TO ATTAIN 100% COMPLETION.

E.

WHETHER OR NOT THE COURT OF APPEALS PROPERLY APPLIED THE LAW ON TEMPERATE DAMAGES ON MEGAWORLD'S CLAIM FOR FORCED SUSPENSION OF WORK IN THE AMOUNT OF PHP2,520,000.00.

F.

WHETHER OR NOT THE COURT OF APPEALS PROPERLY APPLIED ARTICLE 1724 OF THE NEW CIVIL CODE ON THE MATTER OF LAND BANK'S CLAIM FOR: a) WATERPROOFING AT BASEMENT FLOORING IN THE AMOUNT OF PHP5,549,847.53; b) ARAD SYSTEM IN THE AMOUNT OF PHP1,587,000.00; c) INSTALLATION COST FOR SPRINKLER HEAD DROPPINGS IN THE AMOUNT OF PHP2,849,309.18; d) STAINLESS STEEL CLADDING IN THE AMOUNT OF PHP468,378.67; e) PORTABLE FIRE EXTINGUISHERS and EXIT LIGHTINGS IN THE AMOUNT OF PHP4,312,000.00 and PHP225,342.00, RESPECTIVELY; and f) REPLACEMENT OF METAL DOORS AND DOOR HARDWARE IN THE AMOUNT OF PHP2,609,538.00.

G.

WHETHER OR NOT THE COURT OF APPEALS PROPERLY INTERPRETED THE CONTRACT PARTICULARLY ON THE CONTRACTORS ALL RISK INSURANCE (CARI) COVERAGE WHEN IT DENIED LAND BANK'S CLAIM FOR THE EARTHQUAKE DAMAGE ON WALLS AMOUNTING TO PHP4,753,017.79.

### **Ruling of the Court**

The Court notes at the outset that Landbank challenges individual components of the computation contained in the revised award. Thereby, Landbank raises questions of fact that require the re-evaluation of evidence presented before the CIAC. Ordinarily, such challenge is disallowed because the factual findings of the CIAC, especially when affirmed by the CA, are conclusive upon this Court. The conclusiveness proceeds from the reality that the CIAC, being the quasi-judicial body that has jurisdiction over disputes involving construction agreements, whether government or private contracts, holds the recognized technical expertise on such matters, and should thus be accorded great respect as to its findings thereon.<sup>25</sup> Moreover,

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<sup>25</sup> See *Werr Corporation International v. Highlands Prime Inc.*, G.R. No. 187543, February 8, 2017, 817 SCRA 145, 159.



the present recourse is an appeal by petition for review on *certiorari*, which is limited to the consideration and resolution of questions of law.

Nonetheless, the Court may review such factual matters by way of exception to the regular procedure where the CA has disagreed with the CIAC's factual findings.<sup>26</sup> The need arises to resolve and settle the disagreement. In this appeal, however, the Court confines its review to the components thereof that the CA modified on appeal, it being reiterated that the factual findings of the CIAC affirmed by the CA have become conclusive on this Court.

Before proceeding, the Court first points out that the CA affirmed the CIAC's amended awards *except* as to the following three items as to which the CA acted thusly:

1. **Reducing** the costs of rectification works pertaining to the curtain walls, *etc.* from ₱40,975,126.41 to ₱32,293,042.58;
2. **Deleting** other costs such as those of the electrical works for the telephone system of ₱4,717,619.28; and
3. **Deleting** costs of the rectification works pertaining to the slope of the parking areas in the amount of ₱16,200,000.00.

A careful review of the records impels the Court to find no reversible error regarding the CA's modifications of **item 1** above.

Initially, the CIAC computed the costs of the rectification works pertaining to curtain walls, *etc.* at the total of ₱40,975,126.41,<sup>27</sup> but the CA adjusted this total (which consisted of gross amount of the rectification expenses less 10% thereof, representing damages suffered due to fortuitous events)<sup>28</sup> because the CIAC had not specified the source of the *base amount* used in the computation; and had erroneously deducted from such *base amount* the disapproved *consultancy service fees* paid to PTCC.<sup>29</sup>

We do not uphold the CA as regards **item 2** and **item 3**.

<sup>26</sup> Id.

<sup>27</sup> Id. at 145, 147; the computation is as follows:

Base amount - Gross rectification expenses	₱52,928,688.94
Less disapproved consultancy service fees (PTCC)	7,400,770.71
Subtotal	₱45,527,918.23
Less 10% damages due to fortuitous events	4,552,791.82
<b>Cost of rectification works on curtain wall, per CIAC</b>	<b>₱40,975,126.41</b>

<sup>28</sup> Id. at 83.

<sup>29</sup> Id. at 83-84.

To start with, Landbank charged Megaworld with item 2 as part of its counterclaims,<sup>30</sup> which related to the costs of electrical works for the telephone system, as a deduction from the total amount due to the latter. According to Landbank, deductive costs were “costs [that] are either required in the contract but not done by Megaworld or those items [that] were supposed to be provided by Megaworld but were instead provided by Landbank. These also include costs [that were] incurred by the bank (*i.e.*, electric/water bills/ processing fees) that should have been shouldered by Megaworld.”<sup>31</sup> Deductive costs were also “those items [that were] included in the contract but requested by Landbank to be excluded for its own implementation.”<sup>32</sup> Landbank averred that it had installed such electrical works “as recommended by [its] Technology Management Group to bring the original design and [telephone system] materials to more modern standards.”<sup>33</sup> Thus, having done the works at its own expense, Landbank asserted its right to reimbursement by way of deduction of the costs from the total contract price.

The CIAC found Landbank’s counterclaim meritorious on the basis that the general practice in the construction industry had been to have the telephone utility, not the building contractor (like Megaworld), provide all the materials for the telephone system’s electrical works. It observed, however, that Megaworld did not object to the request of Landbank to deduct such costs from the total contract price. As a consequence, the CIAC considered the non-objection as Megaworld’s acquiescence to the costs’ deductibility. On appeal, the CA cancelled the cost of the telephone system’s electrical works based on its finding that there had been no valid agreement showing that Megaworld had authorized the deduction of such costs from the amounts due to it.<sup>34</sup>

We agree with the CA to the extent that there had been no agreement by Megaworld authorizing the deduction of such costs from the contract price. Yet, even without the agreement, the CIAC still had to determine whether the aforesaid general practice in the construction industry applied herein or not, and, if it did, to determine the extent of Megaworld’s liability.

Secondly, Landbank insisted that it had procured the services of another contractor, LRDC, to rectify the concrete floors in the parking area because the floors sloped to a designated drainage, and thereby address the “water ponding” problem on the surfaces; and that Megaworld should reimburse the amounts under **item 3** (representing the additional cost of

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<sup>30</sup> Id. at 242.

<sup>31</sup> Id. at 337.

<sup>32</sup> Id.

<sup>33</sup> Id. at 518.

<sup>34</sup> Id. at 86.

rectification works on the slope of the parking areas at a rate of ₱596.44/square meter). Denying liability, Megaworld argued that Landbank had approved the overall design of its parking area; and that the parties should bear equal responsibility over the “water ponding” issue.<sup>35</sup>

Initially, the CIAC struck down Landbank’s proposed rate of ₱596.44/square meter for being excessive. It explained that mere additional work orders, applications, and certificates of payment, without presenting progress billings and payment vouchers, rendered such estimated rate questionable. In the end, however, the CIAC ruled in favor of Landbank, albeit reducing the estimated rate of rectification costs to ₱450.00/square meter. It thus awarded ₱16,200,000.00, computed as follows:

Estimated rectification costs per square meter	₱450.00
Parking floor area (square meters)	36,000
Cost of rectification works on slope of parking areas	<u>₱16,200,000.00</u>

However, the CIAC did not explain how it had arrived at the rate of ₱450.00/square meter. It did not identify its source documents or provide any computation for arriving at such rate. As such, the rate became unsupported and unjustified.

Furthermore, the CA found that Landbank had been able to submit documents to support its claim only through the offer of additional evidence.<sup>36</sup> In the view of the CA, the belated submission of the additional documents had deprived Megaworld of the opportunity to examine the documents in violation of Megaworld’s right to due process. The CA, pointing out that the CIAC should not have admitted the documents, ruled out Landbank’s claim for the cost of rectification works on the slope of parking areas as unmeritorious.<sup>37</sup>

Contrary to what the CA ruled, the Court cannot entirely delete the award relating to **item 3**. That Megaworld had admitted its responsibility for the “water ponding” issue, only that it insisted on sharing the responsibility with Landbank, cannot be justly ignored. With its admission, Megaworld’s obligation to compensate Landbank for such rectification works should no longer be in doubt. Only the exact amount of Megaworld’s liability remained undetermined.

In view of the foregoing, and considering that the Court is not equipped to receive evidence in order to fully resolve the issues relating to **item 2** and **item 3**, the remand of the case to the CIAC for the appropriate

<sup>35</sup> Id. at 151.

<sup>36</sup> Id. at 85.

<sup>37</sup> Id. at 81-83.

determination of the costs of such works as well as of the extent of Megaworld's liability corresponding thereto should be made.

**WHEREFORE**, the Court **PARTIALLY GRANTS** the petition for review on *certiorari*; **AFFIRMS** the decision promulgated on September 27, 2010 subject to the following **MODIFICATIONS**, to wit:

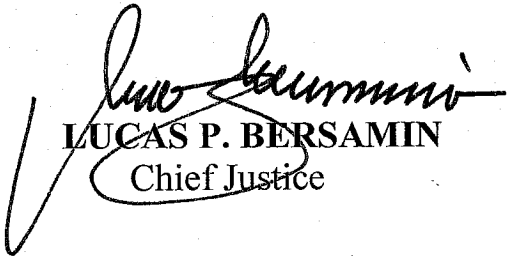
1) The award to Landbank of the other costs such as electrical works for the telephone system is **REINSTATED**; and

2) The award to Landbank of the costs of rectification works on the slope of parking areas is **REINSTATED**.

The Court **REMANDS** this case to the Construction Industry Arbitration Commission for the proper determination of the extent of Megaworld Corporation's liability for the costs of the electrical works for the telephone system and the rectification works on the slope of the parking areas.


Costs to be paid by the petitioner.

**SO ORDERED.**

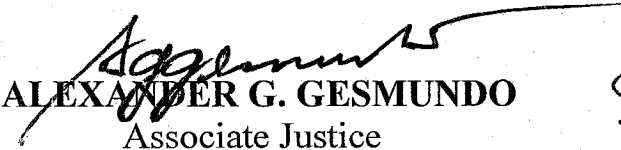


**LUCAS P. BERSAMIN**  
Chief Justice

**WE CONCUR:**



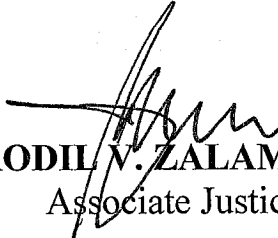
**ESTELA M. BERLAS-BERNABE**  
Associate Justice



**ALEXANDER G. GESMUNDO**  
Associate Justice



**ROSMARI D. CARANDANG**  
Associate Justice



**RODIL N. ZALAMEDA**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**LUCAS P. BERSAMIN**

Chief Justice