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THIRD DIVISION

[G.R. No. 259992. November 11, 2024]

DEPARTMENT OF BUDGET AND MANAGEMENT - PROCUREMENT SERVICE, *Petitioner, v.* **JAC AUTOMOBILE INTERNATIONAL PHILIPPINES, INC.,** *Respondent.*

D E C I S I O N

INTING, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] filed by the Department of Budget and Management - Procurement Service (petitioner), represented by its Executive Director Bingle B. Gutierrez (ED Gutierrez), assailing the Decision[2] dated July 23, 2021, and Resolution[3] dated March 23, 2022, of the Court of Appeals (CA) in CA-G.R. SP No. 159893. The CA affirmed the Decision[4] dated April 5, 2018, of Branch 122, Regional Trial Court (RTC), Caloocan City in Civil Case No. C-1215 that found petitioner to have acted with grave abuse of discretion when it issued the Notices of Cancellation to JAC Automobile International Philippines, Inc. (respondent) under Public Bidding (PB) Nos. 14-122 and 15-018-2 (Lot No. 1).

The Antecedents

The Department of Agrarian Reform (DAR) intended to procure 6-wheeler and 10-wheeler dump trucks to be used as service

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1 *Rollo*, pp. 10–46.

2 *Id.* at 52–68. Penned by Associate Justice Perpetua Susana T. Atal-Paño and concurred in by Associate Justices Edwin D. Sorongon and Carlito B. Calpatura of the Eleventh Division, Court of Appeals, Manila.

3 *Id.* at 48–50. Penned by Associate Justice Perpetua Susana T. Atal-Paño and concurred in by Associate Justices Edwin D. Sorongon and Carlito B. Calpatura of the Former Eleventh Division, Court of Appeals, Manila.

4 *Id.* at 69–82. Penned by Presiding Judge Georgina D. Hidalgo.

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facilities or farm equipment for farm production.[5] For the purpose, it entered into a Memorandum of Agreement with petitioner for the latter to act as its procurement agent.[6]

Subsequently, petitioner posted invitations to bid for the supply and delivery of: (1) 61 units of 6-wheeler dump trucks under PB No. 14-122, with an approved budget of PHP 274,500,000.00 in December 2014; and (2) 29 units of 6-wheeler dump trucks and 40 units of 10-wheeler dump trucks under PB No. 15-018-2 (Lot Nos. 1 and 2), with an approved budget of PHP 130,500,00.00 and PHP 220,000,000.00, respectively, in January 2015.[7]

Respondent, JV of Ad Lib-Hubei-Muli-Lift (JV of Ad), China Dong Feng Motor Distributors, Inc. (China Dong), and JV of Autocirculo Corporation and Man Automotive Concessionaires Corporation (JV of Autocirculo), participated in the bidding and accordingly submitted their bid proposals.[8]

Petitioner's Bids and Awards Committee (BAC) proceeded with the pre-qualification and post-qualification evaluation of the submitted bids as required under Republic Act No. 9184[9] and its 2009 Revised Implementing Rules and Regulations (IRR).[10]

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[5] *Id.* at 53, CA Decision.

[6] *Id.* at 52–53.

[7] *Id.* at 53.

[8] *Id.* at 12–14, Petition. Per petitioner's Resolution No. 2015-006, the following bids were submitted for PB No. 14-122: JV of Ad Lib-Hubei-Muli-Lift - PHP 212,658,017.00; China Dong Feng Motor Distributors, Inc. - PHP 244,000,000.00; JV of Autocirculo Corporation and Man Automotive Concessionaires Corporation - PHP 265,350,000.00; JAC Automobile International Philippines, Inc. - PHP 273,463,000.00. Per Resolution No. 2015-007 the following bids were submitted for PB No. 15-018-2: China Dong Feng Motor Distributors, Inc. - PHP 116,000,000.00; JV of Autocirculo Corporation and Man Automotive Concessionaires Corporation - PHP 124,555,000.00; JAC Automobile International Philippines, Inc. - PHP 130,007,000.00.

[9] Government Procurement Reform Act, approved on January 10, 2003.

[10] Per Government Procurement Policy Board Resolution No. 06-2009, the 2009 Revised IRR was approved on July 22, 2009 and took effect on September 2, 2009.

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For PB No. 14-122, the BAC's evaluation showed that respondent's bid was the lowest calculated responsive bid after the other bidders were post-disqualified. JV of Ad was disqualified as there were "differences in the signatures of the JV representative, use of old form, no attached proof of sale, differences in business name, no documentary support that the item offered is Diesel with DITC or TI."[11] China Dong was disqualified for failure to "establish proof of completed contracts, and that the signatory, while a member of the Board, was not included in the Secretary's Certificate."[12] JV of Autocirculo was disqualified for failure to comply with the requirement of certification issued by the manufacturer.[13]

Likewise, for PB No. 15-018-2, the BAC's evaluation showed that respondent's bid was the lowest calculated responsive bid after the other bidders were post-disqualified. JV of Ad and JV of Autocirculo were disqualified based on the same reasons stated in PB No. 14-122.[14]

Consequently, on July 24, 2015, the BAC issued the Notices of Lowest Calculated Responsive Bid to respondent for PB Nos. 14-122 and 15-018-2. The BAC also informed respondent that upon approval of the Head of the Procuring Entity (HOPE), a notice of award shall be issued, provided that there are no requests for reconsideration, or protests filed.[15]

On September 4, 2015, then Executive Director Jose Tomas C. Syquia (ED Syquia), acting as HOPE, issued notices of cancellation for PB Nos. 14-122 and 15-018-2 (Lot No. 1) and stated that the projects for both public biddings are not economically and financially feasible, i.e., *the project will not*

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[11] *Rollo*, p. 13.

[12] *Id.*

[13] *Id.*

[14] *Id.* at 15.

[15] *Id.* at 109 and 110, *see* Notice of Lowest Calculated Responsive Bid (No. 07-173-15) and Notice of Lowest Calculated Responsive Bid (No. 07-174-15), both dated July 24, 2015.

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redound to the benefit of Government of the Philippines (GOP) given that [it] will spend more due to procedural deficiencies rather than on technical capability of the items to be procured. He further stated that the cancellations are done in accordance with Article XI, Section 41[16] of the 2009 Revised IRR.[17] As clarified in his Resolutions,[18] ED Syquia declared that the BAC was not able to exhaust clarification procedures during the post-qualification stage that resulted in a failure to meet a key objective of public biddings, which is to ensure that bidders are disqualified because their products do not meet the technical requirements, or that their price is over the approved budget for the contract, or not the most advantageous.[19]

Notably, however, ED Syquia issued a Notice of Award in favor of respondent on September 7, 2015, with respect to PB No. 15-018-2 (Lot No. 2) considering that no requests for reconsideration

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[16] SECTION 41. *Reservation Clause*. — The Head of the Procuring Entity reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations:

a) If there is *prima facie* evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;

b) If the BAC is found to have failed in following the prescribed bidding procedures; or

c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the Head of the Procuring Entity; (ii) if the project is no longer necessary as determined by the Head of the Procuring Entity; and (iii) if the source of funds for the project has been withheld or reduced through no fault of the procuring entity.

[17] *Rollo*, pp. 113–114.

[18] *Id.* at 54 and 55, *see* Resolution Nos. 2015-006 and 2015-007, both dated September 4, 2015.

[19] *Id.*

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or protests were filed.[20] Respondent, through its representative, signed the Notice of Award as conformity thereto.[21]

On October 19, 2015, respondent filed a Complaint[22] (with a prayer for the issuance of a temporary restraining order) against petitioner alleging that the latter acted capriciously, arbitrarily, whimsically, and with grave abuse of discretion, when it issued the Notices of Cancellation.[23] It argued that there is no significant change in the economic condition that would render the project no longer economically and technically feasible; there is no determination that the project is no longer necessary; and finally, there is no showing that the source of funds for the project has been withheld or reduced.[24]

Proceedings Before the RTC and Its Rulings

The RTC denied respondent's application for a temporary restraining order and likewise denied its Motion for Reconsideration.[25]

On September 29, 2016, respondent filed a motion to set the case for hearing on the presentation of evidence on its application for a writ of preliminary injunction.[26]

On October 7, 2016, respondent filed two separate motions: first, withdrawing its earlier motion; and second, praying that the petitioner be declared in default and judgment be rendered after presentation of its evidence *ex parte*.[27]

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[20] *Id.* at 53–54. *See also* Notice of Award (BAC 2015-0219) dated September 7, 2015, *id.* at 111–112.

[21] *Id.* at 112.

[22] *Id.* at 100–108.

[23] *Id.* at 104.

[24] *Id.* at 105.

[25] *Id.* at 70, RTC Decision.

[26] *Id. See also* Very Urgent Ex Parte Motion to Set Case for Hearing for Presentation of Evidence on the Application for a Writ of Preliminary Injunction, *id.* at 115–116.

[27] *Id. See also* Motion to Consider Motion to Present Evidence on Application for a Writ of Preliminary Injunction Withdrawn, *id.* at 117–118; and Motion to Declare Defendant in Default, *id.* at 119–120.

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On October 10, 2016, the RTC resolved the foregoing Motions and ordered the withdrawal of the initial motion and set a hearing for the latter motion. After submission by the petitioner of its Answer,[28] preliminary conference followed.[29]

On December 12, 2016, respondent filed a Motion to Consider the Case Submitted for Decision Based on the Pleadings and Admissions. During the hearing for the motion, the RTC required the parties to submit their position papers.[30]

On June 6, 2017, the RTC denied the motion for lack of merit. Respondent then filed a Very Urgent Motion to Issuance [sic] of Status Quo Order which the RTC also denied in a subsequent Resolution.[31]

Pre-trial conference proceeded and the parties were required to submit their respective memoranda. Petitioner, represented by the Office of the Solicitor General, failed to file its memorandum; thus, the case was submitted for decision.[32]

On April 5, 2018, the RTC issued the Decision[33] nullifying the Notices of Cancellation for having been issued with grave abuse of discretion, to wit:

> WHEREFORE, premises considered, the Court declares the cancellation of the award under PB No. 14-122 and PB No. 15-018-2 (Lot 1) as NULL AND VOID for having been done by defendant with grave abuse of discretion.
>
> Consequently, defendant Department of Budget and Management Procurement Service is directed to proceed with the award in favor of plaintiff, JAC Automobile International Philippines, Inc.

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[28] *Id.* at 121–130.

[29] *Id.* at 70, RTC Decision.

[30] *Id. See also* Position Paper (filed by the Office of the Solicitor General), *id.* at 136–158.

[31] *Id.* at 71. The Resolution was dated September 20, 2017.

[32] *Id.*

[33] *Id.* at 69–82.

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No cost.

SO ORDERED.[34]

Preliminarily, the RTC ruled that ED Syquia, as HOPE, was not performing a judicial or quasi-judicial function when he issued the subject Notices of Cancellation; hence, his act was not within the parameters of a Rule 65 petition. However, the court a quo aptly pointed out that Section 58[35] of Republic Act No. 9184 specifically provides for the remedy of *certiorari* in procurement cases, thus allowing it to dispose of the case before it.[36]

Also, while the RTC recognized that there is a procedure under Section 58 that needs to be resorted to before availing oneself of the remedy of *certiorari*, i.e., the filing of a protest, it also recognized that this remedy is directed towards decisions of the BAC. Considering that it was already the HOPE who issued the notices of cancellation, a protest given the circumstances becomes an exercise in futility.[37]

After its perusal of the merits of the case, the RTC then held that ED Syquia acted with grave abuse of discretion when he issued the notices of cancellation. It ruled that the justification for the cancellations proffered by ED Syquia does not fall under the enumerated instances under Rule XI, Section 41 of the 2009 Revised IRR. It noted that ED Syquia merely gave a sweeping

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[34] *Id.* at 82.

[35] SECTION 58. *Report to Regular Courts; Certiorari*. — Court action may be resorted to only after the protests contemplated in this Article shall have been completed. Cases that are filed in violation of the process specified in this Article shall be dismissed for lack of jurisdiction. The regional trial court shall have jurisdiction over final decisions of the head of the procuring entity. Court actions shall be governed by Rule 65 of the 1997 Rules of Civil Procedure.

This provision is without prejudice to any law conferring on the Supreme Court the sole jurisdiction to issue temporary restraining orders and injunctions relating to Infrastructure Projects of Government.

[36] *Rollo*, p. 75.

[37] *Id.* at 80–82.

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statement that the contract will not redound to the benefit of the Government without even offering any explanation. It pointed out that at the outset, petitioner, as the procurement agent, should not have proceeded with the procurement procedures taking into consideration the stated justification.[38]

Finally, the RTC ruled that ED Syquia resorted to a wrong procedure under Republic Act No. 9184 and its 2009 Revised IRR. It held that ED Syquia should have declared a failure of bidding under Rule X, Section 35[39] of the 2009 Revised IRR, but instead, he opted to issue Notices of Cancellation.[40]

Aggrieved, petitioner appealed to the CA.[41]

The Ruling of the CA

On July 23, 2021, the CA issued the assailed Decision[42] affirming *in toto* the RTC Decision.[43]

First, the CA ruled that it is apparent in the case that petitioner's Executive Director, that is, ED Syquia, is the HOPE. It noted that under the Memorandum of Agreement between the DAR and petitioner, the former availed itself of the services of the latter as its procurement agent.[44] Moreover, it held that respondent

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[38] *Id.* at 78.

[39] SECTION 35. *Failure of Bidding*. —
35.1. The BAC shall declare the bidding a failure when:
a) No bids are received;
b) All prospective bidders are declared ineligible;
c) All bids fail to comply with all the bid requirements or fail post-qualification, or, in the case of consulting services, there is no successful negotiation; or
d) The bidder with the Lowest Calculated Responsive Bid/Highest Rated Responsive Bid refuses, without justifiable cause, to accept the award of contract, and no award is made in accordance with Section 40 of the Act and this IRR.

[40] *Rollo*, pp. 78–79.

[41] *Id.* at 166–167, *see* Notice of Appeal dated May 18, 2018.

[42] *Id.* at 52–68.

[43] *Id.* at 67.

[44] *Id.* at 62.

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neither questioned nor opposed the notice of award issued by ED Syquia in its favor. Thus, it held that respondent cannot deny the personality of ED Syquia as HOPE when it is only detrimental to it and remain quiet when it is beneficial to its interest.[45]

Second, the CA agreed with the RTC that the ground used by ED Syquia does not fall under any of the three justifiable and reasonable grounds under Rule XI, Section 41 of the 2009 Revised IRR. It noted that ED Syquia failed to mention that: (1) physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible; (2) the project is no longer necessary; and (3) the source of funds for the project has been withheld or reduced through no fault of the procuring entity. Furthermore, it found that other than ED Syquia's bare statement, no proof was presented evidencing that the project is no longer economically, financially, and technically feasible.[46]

Finally, the CA ruled that ED Syquia's act of issuing the Notices of Cancellation without proof or explanation under the justified grounds stated in Rule XI, Section 41 of the 2009 Revised IRR was attended by grave abuse of discretion. It held that the cancellation of the subject ongoing public bidding without justifiable reasons caused unfairness and injustice upon respondent.[47]

Petitioner, now represented by ED Gutierrez,[48] sought reconsideration,[49] but the CA denied[50] its Motion in the assailed Resolution.[51]

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[45] *Id.* at 63.

[46] *Id.* at 64–65.

[47] *Id.* at 65–66.

[48] ED Syquia was substituted by ED Gutierrez (representative of petitioner in the instant Petition). ED Gutierrez adopted the actions of ED Syquia (*id.* at 57).

[49] *Id.* at 188–208, Motion for Reconsideration dated October 25, 2021.

[50] *Id.* at 49.

[51] *Id.* at 48–50.

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Hence, the instant Petition.[52]

The Issue

The main issue before the Court is whether the CA erred in finding that ED Syquia acted with grave abuse of discretion when it issued the subject Notices of Cancellation.

The Ruling of the Court

At the outset, the Court concurs with the courts *a quo* that as the procurement agent of DAR by virtue of a Memorandum of Agreement, petitioner ED Syquia is the duly designated HOPE with respect to PB Nos. 14-122 (Lot No. 1) and 15-018-2 (Lot Nos. 1 and 2). As HOPE, ED Syquia has the authority to issue the assailed Notices of Cancellation.[53]

The Court agrees with the RTC when it gave due course to respondent's petition for *certiorari* in accordance with Article XVII, Section 58 of Republic Act No. 9184. While the law provides that resort to a protest mechanism under the Article XVII is jurisdictional, the protest referred to therein is a remedy against decisions rendered by the BAC. Here, it is ED Syquia who directly issued the subject notices of cancellation. Hence, respondent's resort to a regular court is warranted in the case.

The Court also agrees with the CA when it ruled that the RTC did not err when it gave due course to the subject petition despite respondent's failure to state the material dates showing that its complaint was filed on time. The Court has held that failure to comply with the rule on the statement of material dates in the petition may be excused when the dates are evident from the records.[54] Here, the CA pointed out that the records show that the petition was filed on October 19, 2015, well within the 60-day

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[52] *Id.* at 10–46.

[53] *Id.* at 62. *See also* 2009 REVISED IMPLEMENTING RULES AND REGULATIONS, Rule XI, sec. 37.1.3.

[54] *Metro Alliance Holdings and Equities Corp. v. Philippine Veterans Bank*, 910 Phil. 643, 662 (2021), *citing Acaylar, Jr. v. Harayo*, 582 Phil. 600, 612 (2008).

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period from September 4, 2015, the date of the issuance of the subject Notices of Cancellation.[55]

However, the Court does not agree with the RTC's ruling that ED Syquia could have declared a failure of bidding under Rule X, Section 35 of the 2009 Revised IRR because this section pertains to circumstances when the BAC shall declare a failure of bidding. Nevertheless, ED Syquia, as HOPE, has the right to declare a failure of bidding, among others, but under Rule XI, Section 41 of the 2009 Revised IRR.

Moving on to the main issue, the Court agrees with the CA's finding that petitioner acted with grave abuse of discretion when it issued the assailed notices of cancellation under Article XI, Section 41 of Republic Act No. 9184, and its 2009 Revised IRR for failure to clearly show the existence of the grounds relied upon.

The Court notes that it is within the HOPE's right to reject any and all bids, declare a failure of bidding, or not award a contract based on the grounds provided for under the *reservation clause* of Republic Act No. 9184. For the purpose, it needs to establish that: (a) there is *prima facie* evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition; (b) the BAC is found to have failed in following the prescribed bidding procedures; or (c) for any justifiable and reasonable ground, the award of the contract will not redound to the benefit of the government as defined in its Implementing Rules and Regulations.[56] As to the third instance, the 2009 Revised Implementing Rules and Regulations instructs the HOPE to make a determination that: (a) the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible; (b) the project is no longer necessary; or (c) the source

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[55] *Rollo*, p. 60, CA Decision.

[56] *See* REPUBLIC ACT No. 9184, art. XI, sec. 41.

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of funds for the project has been withheld or reduced through no fault of the procuring entity.[57]

The Court recognizes that the discretion to accept (or reject) bids and consequently award contracts is vested in the government agencies entrusted with that function.[58] Thus, generally, courts will not interfere with the exercise of this discretion unless it is shown that it is used as a shield to a fraudulent award; or an unfairness or injustice is shown; or has been gravely abused.[59]

Proceeding from the foregoing, the HOPE's exercise of discretion under the *reservation clause* must not be made without first explaining the context surrounding the cancellation of the entire procurement process.[60]

In the present case, ED Syquia issued the assailed Notices of Cancellation on the following grounds: *First*, the BAC failed to follow prescribed bidding procedures considering it failed to exhaust clarification procedures during the post-qualification stage; and *second*, the projects were not economically and financially viable as the government would be required to spend PHP 60,804,983.00 and PHP 14,007,000.00 more for PB Nos. 14-122 and 15-081-2 (Lot 1), respectively.[61] The amounts pertain to the difference between the lowest bids and that of respondent's bids.

As to the first ground, ED Syquia was not able to identify the specific procedure which the BAC failed to observe. Conversely, the records show that the BAC dutifully complied with the pre-qualification and post-qualification evaluation of the submitted bids in accordance with Republic Act No. 9184 and its 2009

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[57] *See* 2009 REVISED IMPLEMENTING RULES AND REGULATIONS, Rule XI, sec. 41.

[58] *Bureau of Customs v. Gallegos*, 826 Phil. 867, 886 (2018), *citing First United Constructors Corp. v. Poro Point Management Corp.*, 596 Phil. 334, 344–345 (2009).

[59] *Bureau of Customs v. Gallegos*, *id.* at 887.

[60] *Id.* at 887–888, *citing SM Land, Inc. v. BCDA*, 741 Phil. 269, 300 (2014).

[61] *Rollo*, p. 28, Petition.

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Revised IRR. As a result, it disqualified the other bidders for failure to comply with the bidding requirements.[62] Subsequently, it submitted its recommendation to ED Syquia to issue notices of award to respondent for submitting the lowest calculated responsive bids for both projects.

On the contrary, ED Syquia's contention that the BAC's failure to exhaust clarification procedures resulted in failing to meet key objectives of public biddings (i.e. the product offered does not meet the technical requirements) must necessarily fail. As shown above, it was precisely because the BAC performed its functions that it was able to assess that the other bidders failed to submit required bidding documents.

As to the second ground, ED Syquia determined that by not awarding the projects to the lowest bidder, the Government will be spending more. The Court emphasizes that Republic Act No. 9184 does not require that projects should be automatically awarded to the proponents of the lowest bids, as they are also required to submit responsive bids. Under the 2009 Revised IRR, bids are responsive when they address or provide the required items in the bidding documents.[63] These requirements include, but are not limited to, legal, technical, and financial documents.[64]

Moreover, ED Syquia overlooked the fact that the lowest bidders for both projects were already post-disqualified, making respondent's bids the lowest calculated responsive bids. Thus, his argument is erroneous as there was no basis for making the comparison in the first place. Consequently, his justification that the Government will be spending more for both projects is misplaced.

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[62] *See* detailed discussion on page 2. In post-disqualifying the other bidders, the BAC followed the procedures in Rule X, Sections 34.4, 34.5, 34.6, and 34.7 of the 2009 Revised Implementing Rules and Regulations.

[63] *See* 2009 REVISED IMPLEMENTING RULES AND REGULATIONS, Rule IX, sec. 32.2.1(a).

[64] *See* 2009 REVISED IMPLEMENTING RULES AND REGULATIONS, Rule X, sec. 34.3.

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Hence, the Court agrees with the courts *a quo* that ED Syquia failed to substantiate his proffered justification for issuing the Notices of Cancellation. As pointed out by both courts, his statement was a mere allegation and conclusion of law, not equivalent to proof.[65] Besides as pointed out by the CA, ED Syquia failed to establish that: (1) the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible; (2) the project is no longer necessary; (3) or the source of funds for the project has been withheld or reduced through no fault of the procuring entity, as required under the 2009 Revised IRR.[66]

Therefore, the Court agrees with the courts *a quo* as to their finding and conclusion that ED Syquia gravely abused his discretion as HOPE when he issued the assailed Notices of Cancellation without offering any detailed explanation as to the surrounding circumstances of his reasons under the *reservation clause*. As a consequence of his act, respondent was unduly prejudiced, causing injustice.[67] Accordingly, ED Syquia should have acted within the mandatory periods prescribed by Republic Act No. 9184, and its 2009 Revised Implementing Rules and Regulations.[68]

The Court emphasizes that public biddings under Republic Act No. 9184 are governed by the principles of transparency, competitiveness, simplicity, and accountability. These principles

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[65] *Rollo*, pp. 78, RTC Decision; and 65, CA Decision.

[66] *Id.* at 64–65.

[67] *See Datumanong v. Malaga*, 810 Phil. 88, 99 (2017), *citing WT Construction, Inc. v. Department of Public Works and Highways*, 555 Phil. 642, 649–650 (2007). *See also Bureau of Customs v. Gallegos* (*supra* note 56, at 888), where the Court held in that case ED Syquia issued a notice of cancellation for the Phase 2 of the Philippines National Single Windows project without showing any proof or explanation that would warrant the cancellation of the project. There, the Court ruled that ED Syquia acted arbitrarily and caused unfairness and injustice upon the private respondents.

[68] *See Jacomille v. Malaga*, 759 Phil. 248, 271 (2015).

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permeate the whole government procurement process.[69] Therefore, it is only through the strict observance of rules and regulations that the Government can safeguard a fair, honest, and competitive bidding process.[70]

ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Decision dated July 23, 2021, and Resolution dated March 23, 2023, of the Court of Appeals in CA-G.R. SP No. 159893 are **AFFIRMED**.

The Notices of Cancellation under Public Bidding Nos. 14-122 and 15-018-2 (Lot 1) are **DECLARED NULL** and **VOID** for having been issued with grave abuse of discretion.

The Department of Budget and Management - Procurement Service is **DIRECTED** to proceed with the award of contracts of Public Bidding Nos. 14-122 and 15-018-2 (Lot 1) in favor of JAC Automobile International Philippines, Inc.

SO ORDERED.

Caguioa (Chairperson), Gaerlan, and *Dimaampao, JJ*., concur.

Singh,[*] *J*., on official business but left concurring vote.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.
Aldon Guades & Associates for respondent.

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[69] *COA v. Link Worth International, Inc.*, 600 Phil. 547, 564 (2009).

[70] *Office of the Ombudsman-Mindanao v. Martel*, 806 Phil. 649, 660 (2017).