

SECOND DIVISION

[G.R. No. 213617, April 18, 2018]

ARCH. EUSEBIO B. BERNAL, DOING BUSINESS UNDER THE NAME AND STYLE CONTEMPORARY BUILDERS, PETITIONER, VS. DR. VIVENCIO VILLAFLOR AND DRA. GREGORIA VILLAFLOR, RESPONDENTS.

R E S O L U T I O N

REYES, JR., J:

Before the Court is a petition for review filed under Rule 45 of the Rules of Court by Architect Eusebio B. Bernal (petitioner), doing business under the name and style Contemporary Builders, to assail the Decision^[1] dated February 14, 2014 and Resolution^[2] dated July 21, 2014 of the Court of Appeals (CA) in CA-G.R. CV No. 93172 insofar as it declared Dr. Vivencio Villaflor and Dra. Gregoria Villaflor (respondents) liable for interests on a monetary award of P1,710,271.21 at a rate of only six percent (6%) *per annum*, to be counted from the date of finality of judgment until full satisfaction.

The Antecedents

On January 28, 2009, the Regional Trial Court (RTC), Branch 41 of Dagupan City rendered its Decision in Civil Case No. 98-02678-D, which was an action for sum of money with damages instituted by the petitioner against the respondents. Petitioner demanded from the respondents the payment of P3,241,800.00, representing sums allegedly left unpaid in relation to the construction of the Medical Arts Building in Caranglaan District, Dagupan City for which the respondents obtained the expertise and services of the petitioner sometime in 1995. The dispositive portion of the RTC decision reads:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Ordering the [respondents] to pay [petitioner] the amount of Two Million Eight Hundred Forty Eight Thousand Pesos (Php2,848,000.00) plus interest thereon at the legal rate from March 4, 2008 until the amount is fully paid;
2. Ordering the [respondents] to pay [petitioner] the amount of Php200,000.00 as and for attorney's fees;
3. Dismissing all other claims and counterclaims for lack of basis.

No pronouncement as to cost.

SO ORDERED.^[3]

Dissatisfied, the respondents appealed the RTC's decision to the CA *via* CA-G.R. CV. No. 93172. On February 14, 2014, the CA rendered its Decision that modified the RTC's Decision by further reducing the total award. The *fallo* of the CA decision reads:

We **MODIFY** the Decision dated 28 January 2009 of the [RTC]. Branch 41, Dagupan City, in Civil Case No. 98-02678-D, as follows: 1) we **ORDER** the [respondents] to pay [petitioner] the amount of P1,710,271.21, plus legal interest x x x at the rate of six percent (6%) per annum, computed from the finality of the judgment until full satisfaction;

2) we **AFFIRM** the award of Php200,000.00, as attorney's fees, in favor of [petitioner]; 3) we **AFFIRM** the dismissal of the [respondents'] counterclaims.

IT IS SO ORDERED.^[4]

For the CA, it was clear that the respondents had an unpaid obligation to the petitioner for the construction of the Medical Arts Building and the 18 change orders that were effected in relation thereto. The trial court's award was however reduced by the appellate court given the following findings:

During the proceedings before the RTC, [petitioner] was able to prove that the total cost of the 18 change orders was Php9,836,505.32. We find it necessary, however, to fix the total cost of the 18 change orders to the amount claimed in the Complaint, *i.e.*, Php9,796,816.94.

In the same wise, we cannot allow the amount of Php271,915.99 (Item C, items which were found on the building but were not billed by the [petitioner]) to be credited, since this was never alleged, nor prayed for by the [petitioner] in the Complaint.

It was also erroneous for the RTC to use the amount of Php13,528,200.00, as the total amount of payment made by the [respondents] to the [petitioner]. The complaint alleged that the sum of Php17,596,816.94 represents that total construction cost of the Medical Arts Building under the original Agreement (Php7,800,000.00) and the 18 change orders (Php9,796,816.94). The Complaint also alleged that after the payments made to the [petitioner], the remaining balance of the [respondents] is the sum of Php3,241,800. x x x Thus, the correct amount of total payments made by the [respondents] should be Php14,355,016.94.

Thus, the total balance due to the [petitioner] should be Php1,710,271.21 x x x.^[5]

Following the Court's ruling in *Nacar vs. Gallery Frames and/or Bordey, Jr.*, the CA also changed the rate and reckoning date of the interest on the award, as it declared that the principal amount of P1,710,271.21 shall earn interest at the rate of 6% *per*