

It also requires the bond underwriters, who have a vital interest in the conditions and feasibility of the issue, and who are actually the bidders for the securities. It requires the institutional investors and lenders—these are the investors who will purchase the securities from the bond underwriters, and in the interest of the buyer requires the evaluation of the merits of the securities by standards set in the market and through experience. There may also be other technical advisers such as financial consultants, who make available experience with similar matters, and who advise as to conditions of the issue, such as the scheduling of terms and amounts of payment, to fit other financial programs of the borrower.

The consulting engineer is responsible for the engineering concept and planning of the project, its design, and estimates of cost. He is also an informed specialist with experience and responsibility for growth projections and anticipated revenues over the life of the security issue. The experience and reputation of the consulting engineer is very important in connection with the given issue, since the other members of the team, and particularly those in connection with the purchasers, must be able to rely upon the consulting engineer's opinions.

A. ATTORNEY FOR THE BORROWER

It is the obligation of the attorney for the borrower to prepare contract documents in compliance with statutory requirements and practice which will be in the best interest of, and provide protection for both the borrower and the investor. The attorney must properly balance the many matters involved in the preparation of the contract to the best interests of all, and in so doing he will operate to the benefit of the issue and to the best sale of the security. The consulting engineer, as a member of the team of the marketing group, is available to furnish information and advice to the bond attorney, as an informed specialist in connection with engineering and economic matters entailed in preparing the bond contract. Experience has shown that it is advisable that the consulting engineer review the draft of the bond contract with regard to the effect of specific provisions from an engineering and economic standpoint. The engineer complements the attorney's legal expertise in matters in which the attorney cannot be expected to be informed. Matters of protective funds, life of the facility to be financed, anticipated availability of revenues, operating expenses, and other matters, are items in which the engineer should be consulted prior to completion of contract documents.

B. THE BORROWER

The borrower, prior to marketing a security issue, must have available a capital improvement program, the estimated cost of the improvements, a feasibility report outlining the necessity of the financing, and a comprehensive financial program. The borrower must make available in the information for bidders, or bond prospectus, an improvement and financial program as well as a presentation of his financial and legal position. The borrower looks to the consulting engineer for the preparation of the engineering and economic portions of these items. The consulting engineer generally prepares the original concept which brings about the scope of capital needs to be financed