

August 24, 2004

Re: City of Vienna Recent Announcement on Software Procurement

I am writing on behalf of the Initiative for Software Choice (ISC), an international coalition of software companies, concerning the City of Vienna's recent software procurement announcement.

The ISC represents the interests of over 300 software companies, including proprietary, open source and hybrid software development companies. Our purpose is to promote an open and competitive market where companies may do business free of discrimination, bias, or preferential legislation or government policies over the procurement of technology.

We commend the ICT Department of the Vienna City Council for their recent decision to refrain from implementing a policy that would have established an automatic preference for one software development model over another - in this case, open source over commercial. We further applaud the prudence for evaluating and taking into account the potential cost implications of implementing a preferential mandate. Indeed, an internal economic viability analysis suggested potential added costs of between € 2.3 million and € 6.4 million for migrating to certain open source offerings as alternatives to current solutions. This was not only an appropriate, but indeed necessary, consideration by the Council that helped ensure the City, and local taxpayers, receive solutions that offer the best value for money.

Furthermore, the results of a study conducted by the University of Klagenfurt in October 2003 under a research project on behalf of the Austrian Ministry of Economics clearly recommend a non-preferential approach towards software procurement based on the counterproductive impacts that restrictive regulations may have on the existing knowledge base of the Austrian labour market and the growing Austrian software industry.

ISC strongly believes that neutral public procurement policies stimulate competition within the marketplace, leading to greater innovation, more choice and better value for users. Government officials must continue to follow and respect these principles, in accordance with national and European public procurement criteria, both in the interests of the EU technology industry as a whole, and in order to find the best and most cost-effective technology offering for a given purpose without predetermined constraints.

In conclusion, we welcome the initial determinations made by the Vienna City Council and call on the individual ICT departments within Vienna City Government to apply the same principles of neutrality and value for money. Please free to contact me directly should you have any comments or wish to discuss this matter further.

Yours sincerely,

Hugo LUEDERS
Director ISC Europe