

[Date]

[Vendor Name]  
[Vendor Company]  
[Vendor Address]  
[City, State, ZIP]

Dear [Vendor Contact Name],

Thank you for submitting your recent proposal for [briefly describe the product/service] to [Your Company Name]. We appreciate the time, effort, and expertise your team invested in understanding our needs and presenting a comprehensive solution.

After careful consideration, we have decided not to move forward with your current proposal. This decision was influenced by [briefly state primary reason such as budget constraints, differing technical requirements, timeline challenges, etc.]. Please know that this does not reflect dissatisfaction with your organization, but arises from our current operational priorities.

We value our relationship with [Vendor Company] and are keen to maintain our partnership. To that end, we would like to propose the following alternative solutions for your consideration:

- [Alternative Solution 1: e.g., Adjusting the scope or phasing the implementation to align with our budget/timing]
- [Alternative Solution 2: e.g., Offering a modified version of your product that better suits our technical environment]
- [Alternative Solution 3: e.g., Exploring a collaborative pilot project to evaluate the solution's fit]

We encourage you to review these suggestions and let us know if you are able to accommodate any of these alternatives. We are open to further discussion and hope to identify a mutually beneficial path forward.

Thank you again for your proposal and your ongoing partnership. We look forward to your feedback and to future opportunities for collaboration.

Sincerely,  
[Your Name]  
[Your Title]  
[Your Company Name]  
[Your Contact Information]