

Negotiation Letter Sample for Price Reduction on Renewal of Contract

Date: [Insert Date]

To,
[Recipient's Name]
[Recipient's Title/Position]
[Company Name]
[Company Address]

Dear [Recipient's Name],

I hope this letter finds you well. We would like to express our appreciation for the ongoing partnership between [Your Company Name] and [Recipient's Company Name]. Over the past [duration of partnership], your team has provided exceptional service and support, contributing to our mutual success.

As we approach the renewal of our current contract, we have reviewed our business requirements and the prevailing market conditions. Based on our analysis, we have found that market rates for similar services have become more competitive. In addition, our need to optimize operational costs has become essential in order to meet our budget goals for the upcoming year.

To support our request, we have attached a summary of current market pricing from various providers offering comparable services. We believe this information emphasizes the necessity for a price adjustment that reflects current trends while sustaining our positive business relationship.

In light of the above, we kindly request your consideration for a [specific percentage or amount, e.g., 10%] reduction in the renewal rate of our contract. We are confident that a revised agreement will enable us to continue our valued partnership, while also ensuring mutual benefit and long-term collaboration.

We look forward to your understanding and a favorable response. Please let us know a convenient time to discuss this further, or if you require any additional information.

Thank you once again for your continued support and partnership.

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