**Sample Letter to Send to Vendor Regarding Cost Reduction**

Dear ;

As we enter the new year, we would like to take this opportunity to thank you for the goods and/or services that you provide to our business.

In an effort to remain competitive, especially in light of the current economic climate, our manufacturers are forced to examine and adjust margins and pricing. Rather than simply press those increases downward to our customers, we must ask our goods and services providers to shoulder some of that burden.

Rather than go through the arduous and time-consuming task of re-bidding each of our goods and services, I would ask that each of our current providers make a unilateral reduction in their pricing of 10%. With the understanding that each of our providers operates under a unique business model, any concession in pricing will be greatly appreciated.

Please respond, in writing, to the request within the next 30 business days. In your response, please indicate one of the following:

1) If you are willing to provide the requested 10% reduction

2) If you are willing to provide any reduction and be included in a closed bid

3) If you are not willing, or able, to provide any reduction

Please immediately reflect the reduction (10% or your designated percentage) on your next invoice.

Kind regards,