[Your Company Letterhead][Date][Vendor Name][Vendor Address][City, State, Zip Code]

Dear [Vendor Name],

We are writing to inform you that after careful consideration, [Your Company Name] has decided not to renew the contract with [Vendor Name] for the services provided under the contract dated [Original Contract Date]. The contract will conclude on [Contract End Date].

This decision was made in light of [brief reason for non-renewal, e.g., changing business needs, performance issues, etc.]. We appreciate the services you have provided to us during the term of the contract and wish to thank you for your contributions.

Please ensure that all outstanding matters are resolved before the end date of the contract. If you have any questions or need further clarification, feel free to reach out to us at [Your Contact Information].

Thank you once again for your service.

Sincerely,

[Your Name][Your Position][Your Company Name][Your Contact Information]