

[Date]

[Supplier Name]

[Supplier Address]

[City, State, Zip Code]

RE: Preferred Supplier Volume Discount Agreement

Dear [Contact Person Name],

Following our recent discussions regarding our ongoing partnership, this letter outlines the agreed-upon volume discount terms between [Your Company Name] and [Supplier Name].

To reflect our status as a Preferred Supplier and our projected purchasing volume, the following discount structure shall apply to all orders effective [Start Date]:

- **Tier 1:** [0] - \$[Amount] annual spend: [Percentage]% discount
- **Tier 2:** \$[Amount] - \$[Amount] annual spend: [Percentage]% discount
- **Tier 3:** Over \$[Amount] annual spend: [Percentage]% discount

Terms and Conditions:

- Discounts will be applied to the [Net/Gross] price of all goods/services.
- Volume will be calculated on a [Quarterly/Annual] basis.
- Payment terms shall remain [e.g., Net 30 days].
- This agreement will be reviewed on [Date] to ensure it remains mutually beneficial.

Please acknowledge your acceptance of these terms by signing and returning a copy of this letter.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

Accepted by:

[Supplier Representative Name]

[Date]