Dear [Bidder's Name],

Thank you for submitting your proposal for the [Project Name]. We appreciate the time and effort your team invested in crafting a comprehensive bid. After careful consideration, we have decided to proceed with another vendor.

This decision was challenging due to the quality of all proposals received. Your bid was competitive, and we commend your innovative approach to [specific aspect]. However, we felt another proposal aligned more closely with our current project goals and strategic needs. We encourage you to apply for future projects, as we were impressed by your team's expertise and commitment. Should you require detailed feedback to assist in future submissions, please feel free to reach out. Thank you once again for your interest and effort.

Best regards,

[Your Name]
[Your Position]
[Your Company]