

March 11, 2026

Andy Jassy
CEO
Amazon
410 Terry Avenue North
Seattle, WA 98109

Dear Mr. Jassy,

I write regarding my concerns that Amazon is overcharging school districts, local governments, and taxpayers for essential goods using opaque pricing algorithms and misleading contracts. I am requesting further information to better understand how Amazon's dynamic, algorithm-driven pricing and contracting practices are affecting schools, cities, and towns.

Amazon's procurement platform, Amazon Business, is the company's portal for sales to businesses and public sector purchasers. The company touts it as "your one-stop shop to simplify buying," targeting public-sector purchasers with the claim that "[w]ith access to business-only pricing, bulk discounts, and price comparison from multiple sellers, you can save on more than a hundred million products."¹ Amazon also claims that its platform helps buyers to "identify cost savings" and shift spending "towards local businesses."² But a new investigation raises questions about the truth of these claims.

A December 2025 report by the Institute for Local Self-Reliance (ILSR) found that schools and local governments that procure supplies from Amazon "are routinely paying more than they should" for essential goods.³ The traditional procurement process relies on competitive bidding, in which local governments solicit public bids from suppliers, and buyers compare bids to decide which offers the best value. Buyers also often sign onto group purchasing contracts with a group purchasing organization (GPO), which streamlines the procurement process by managing the process of soliciting bids and contracting with suppliers on behalf of a group of its public-sector members, including state agencies and local governments.⁴

¹ Amazon Business, "Reshape buying for your organization," https://business.amazon.com/en/cp/lp?ref=pd_sl_brand_core_2938077214_x74244175809&hvocijid=7446440003295967039-&hvexpln=ssrText&tag=abpsgglacqus-20.

² Amazon Business, "Spend Management," <https://business.amazon.com/en/solutions/spend-management>.

³ Institute for Local Self-Reliance, "Turning Public Money into Amazon's Profits: The Hidden Cost of Ceding Government Procurement to a Monopoly Gatekeeper," Stacy Mitchell, Kennedy Smith, Susan Holmberg, and Nasra Mohamed, December 2025, p. 5, <https://ilsr.org/wp-content/uploads/2025/11/ILSR-AmazonProcurementReport.pdf>.

⁴ *Id.*, p. 16.

However, Amazon’s group purchasing contracts, under the guise of being “fully vetted and competitively awarded,”⁵ sidestep competitive bidding and often overcharge government buyers. Amazon has won several group purchasing contracts from OMNIA Partners, a private-equity-backed GPO that became the largest GPO in the country by acquiring a slew of respected, accredited GPOs like U.S. Communities (which withdrew from the Institute for Public Procurement’s accreditation program after it was acquired by OMNIA).⁶ Because OMNIA takes a cut of every group purchasing contract, both OMNIA and Amazon have an incentive to exploit their market power to overcharge public-sector buyers.⁷

Amazon and its GPO partners like OMNIA lure government buyers into signing one of their group purchasing contracts by aggressively marketing these contracts as competitively bid agreements that provide vetting and accountability and reduce off-contract spending.⁸ Amazon claims that its contracts with OMNIA Partners were “competitively solicited” and offer “competitive contract pricing, volume discount opportunities, and reduced shipment costs.”⁹ In reality, those contracts were not competitive; rather, the GPO RFPs for those contracts request Amazon-specific features such as an “online marketplace” of products (including items that are not typically on government supply lists) and dynamic pricing, such that they “all but guaranteed a sole bidder” – Amazon.¹⁰ School districts and cities that sign onto an OMNIA contract with Amazon reportedly spend with the company on average about twice as much per student or per capita as they would have spent had they not signed the contract.¹¹

Instead of offering fixed prices for all buyers, which are typical in the procurement space, Amazon Business subjects buyers to algorithm-driven dynamic pricing that forces school districts and local governments to pay ever-changing, often inflated costs for essential goods. For example, ILSR found that one city purchased a 12-pack of Sharpie markers for \$8.99 while a nearby school district purchased the same product for \$28.63 – three times as much – that same day.¹² These differences add up: ILSR found that one school district could have saved 17 percent, or about \$1 million, had it consistently received Amazon’s lowest prices, instead of the inflated dynamic prices.¹³ For the 100 most frequently ordered products in ILSR’s sample, the highest prices Amazon charged were, on average, 136 percent higher than the lowest — meaning some buyers paid double or even triple what others paid for identical products.¹⁴

⁵ *Id.*, p. 8.

⁶ *Id.*, p. 16.

⁷ *Id.*

⁸ *Id.*, p. 15.

⁹ Amazon Business, “OMNIA Partners,” <https://business.amazon.com/en/partners/omnia>.

¹⁰ Institute for Local Self-Reliance, “Turning Public Money into Amazon’s Profits: The Hidden Cost of Ceding Government Procurement to a Monopoly Gatekeeper,” Stacy Mitchell, Kennedy Smith, Susan Holmberg, and Nasra Mohamed, December 2025, p. 14-15, <https://ilsr.org/wp-content/uploads/2025/11/ILSR-AmazonProcurementReport.pdf>.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*, p. 5.

¹⁴ *Id.*, p. 18.

To set these fluctuating prices, Amazon uses opaque algorithms that “draw on the company’s vast trove of data.”¹⁵ Amazon does not disclose information about these algorithms, and it is unclear exactly what data Amazon uses, but the formulas may “make adjustments based on variables like shopper behavior and time of day.”¹⁶

Furthermore, evidence suggests that Amazon uses its market dominance and its pricing algorithms to inflate prices across the internet. An antitrust complaint brought by the FTC and 17 states notes that Amazon constantly crawls the web and “can detect any price change virtually anywhere on the internet.”¹⁷ Its algorithms can automatically respond to prices set by both third-party sellers on Amazon and competing online retailers.¹⁸ As ILSR describes, this is consistent with recent empirical research, which has found that a dominant firm with a superior algorithm can “instantly undercut any discount offered by a competitor, teaching rivals that lowering prices won’t win them more market share,” thereby pushing up prices overall.¹⁹

The net result of these machinations is to drive up costs for local schools, local governments, and taxpayers – while strengthening Amazon’s grip on the public procurement market and running local businesses into the ground. ILSR found that “Amazon is driving out independent suppliers that offer lower prices and better services,” and that its “expanding reach is draining local economies and stifling competition. Small and mid-sized businesses that supply schools, cities, and other public institutions are disappearing, taking with them local jobs and tax revenue.”²⁰

To better understand Amazon Business’s pricing strategies and algorithms, and to ensure Amazon is offering fair procurement contracts and not gouging local governments, school districts, and taxpayers, I ask that you answer the following questions by March 25, 2026:

1. What factors does Amazon Business use to determine prices for local governments and school districts that purchase items on the platform?
 - a. Does Amazon use personal customer data to determine prices?
 - i. If yes, what personal customer data does Amazon use?
 - ii. If yes, does Amazon use personal customer data to determine prices for individual buyers, or groups of buyers?
2. On average, across its Amazon Business marketplace, how many different prices does Amazon charge for the following items on the same day:
 - a. A 12-pack of Sharpie fine-point black markers (ASIN B00006IFHD)
 - b. A 36-box case of Kleenex tissue (ASIN B0040ZOF2A)

¹⁵ *Id.*, p. 17.

¹⁶ *Id.*

¹⁷ Second Amended Complaint at 89, Federal Trade Commission et. al. v. Amazon.com, Inc., No. 2:23-cv-01495-JHC (W.D. Wash. Oct. 31, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/0327-20231031-REDACTEDSecondAmendedComplaint.pdf.

¹⁸ *Id.*

¹⁹ Institute for Local Self-Reliance, “Turning Public Money into Amazon’s Profits: The Hidden Cost of Ceding Government Procurement to a Monopoly Gatekeeper,” Stacy Mitchell, Kennedy Smith, Susan Holmberg, and Nasra Mohamed, December 2025, p. 38, <https://ilsr.org/wp-content/uploads/2025/11/ILSR-AmazonProcurementReport.pdf>.

²⁰ *Id.*, p. 5.

- c. A 60-pack of BIC Round Stic medium-point black ball pens (ASIN B0012YVGOW)
 - d. A 36-pack of EXPO dry erase chisel tip black markers (ASIN B00OQQ0144)
3. Over the past year, for an average day, for each of the items below, please provide (1) the highest price charged on Amazon Business; (2) the median price on Amazon Business; and (3) the lowest price charged on Amazon Business:
 - a. A 12-pack of Sharpie fine-point black markers
 - b. A 36-box case of Kleenex tissue
 - c. A 60-pack of BIC Round Stic medium-point black ball pens
 - d. A 36-pack of EXPO dry erase chisel tip black markers
 4. Why does Amazon charge buyers (including buyers in the same location) different prices for the same item on the same day?
 5. How rapidly on average does Amazon’s automated pricing system react to prices set by competing retailers?
 6. Does Amazon negotiate or otherwise communicate in advance with GPOs, or with “lead agencies” operating in concert with GPOs, about the contracts on which Amazon bids?
 - a. Does Amazon request that such RFPs specify Amazon-specific features?
 - b. Does Amazon insist that such contracts specify the use of dynamic pricing rather than fixed pricing? If so, why?
 7. How is Amazon’s claim that OMNIA Partners offers “Competitively solicited and publicly awarded contracts”²¹ consistent with ILSR’s finding that the RFPs for Amazon’s group purchasing contracts requested Amazon-specific features?
 8. How is Amazon’s claim that OMNIA Partners offers “Industry-leading compliance and transparency standards”²² consistent with ILSR’s finding that Amazon and OMNIA Partners contracts do not disclose fixed prices, and do not update when prices change?
 9. What is the average price difference between buying the following products through an Amazon and OMNIA Partners contract, rather than purchasing from Amazon Business directly?
 - a. A 12-pack of Sharpie fine-point black markers
 - b. A 36-box case of Kleenex tissue
 - c. A 60-pack of BIC Round Stic medium-point black ball pens
 - d. A 36-pack of EXPO dry erase chisel tip black markers
 10. Does Amazon’s user interface steer government buyers to sign OMNIA Partners contracts or otherwise disadvantage smaller GPOs?

²¹ Amazon Business, “OMNIA Partners,” <https://business.amazon.com/en/partners/omnia>.

²² *Id.*

11. Amazon’s marketing materials claim that its Amazon Business platform can “help local governments support small and local businesses, boosting local economies and creating stronger communities.”²³ On average, what percentage of a small business’s sales on Amazon Business does Amazon retain through seller fees?
12. When Amazon markets Amazon Business to local government and school district officials, including by promoting the idea that they can buy from local small businesses through its platform, does it disclose its seller fees to those officials?

Sincerely,



Elizabeth Warren
United States Senator

²³ Holly Barringer, “Modernizing Local Government,” Amazon Business Blog, September 5, 2025, <https://business.amazon.com/en/blog/modernizing-local-government>.