

**Procurement Service Quality and Internal Customer Satisfaction in Moshi
Urban Water Supply and Sanitation Authority**

By

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The study examined the relationship between procurement services quality and internal customer satisfaction in Moshi Urban Water Supply and Sanitation Authority. Specifically, the study intended to determine the internal customer perception, to find out the effects of service quality dimensions on internal customer satisfaction, and to find out the challenges facing internal customers with regard to procurement services. The primary data was collected through questionnaires and interview. The study constituted of 54 respondents (internal customers) of the organisation. Descriptive research design was used and in data analysis, descriptive analysis, factors analysis, ordinal logistic regression and spearman correlation were employed. The study revealed that the overall procurement services offered in all dimensions were perceived negative with the highest gap score in reliability -1.23 and the lowest gap score in empathy 0.45. Results from factor analysis showed that only empathy was perceived to be more relevant to internal customer satisfaction. On the effects, the study found that there was positive relationship between procurement service quality and internal customer satisfaction but only reliability and empathy were found to be significant ($P < 0.05$) and therefore they were determined to be the major determinants of satisfaction. Delivery problem was the major challenge facing internal customers accounting for 21%. The study concludes that, respondents were dissatisfied with the quality of services from procurement department. The study recommended that the organisation should invest more training in procurement matters so that to improve service quality that led to satisfaction and that the organisation should ensure that the employees dealing with the procurement understand all the requirements of the PPA and its regulation.