

ABSTRACT

A survey was conducted to evaluate the effectiveness of logistics strategy in electric poles distribution by Tanesco in Arusha regional office to customers. The survey involved administration of a priority designed questionnaire that was administered to a total of 50 Tanesco customers who were in the process of procuring the power supply service. Another designed questionnaire was administered to a total of 12 Tanesco staffs. Visual observations and other qualitative evaluation were done.

The results showed that recommended time for the connection of electricity when a customer launch an application and effect payments is between 30-90 working days. It was realized that a time lag of between 3-5 years with a mean of 3.8 year was reported by customers to the time spent before getting connected to the power service. Among other reasons given by customers for a delayed power connection service were unfulfilled appointments, payment effected for cost but no power connection and also Tanesco bureaucracy. On the other side customers recommended that bureaucracy, laxity and corruption are among the reasons that cause inefficiency.

The other reason for the delay as reported by the staff was the Public Procurement Act, a process of identifying and approving a supplier which takes 130 days before a supplier is identified, not only that but the size of the tender was too big to be managed by a single supplier. A single supplier attending the supplies to the whole country seemed to be another way of delaying the poles distribution services to the customers.

The study recommended annual review of logistics strategy in order to increase efficiency. Privatization and restructuring of the organization, reducing high operational cost, proper use of poles which include using single pole transformer mounting, proper design so as to reduce the number of poles to be used. Using single wire earth return, selecting priority for electricity connectivity and poles distribution using FIFO (First in First Out) principle was also recommended. Review of PPA act, charging the right price for electricity and avoid nepotism and having independent poles distributors and electric power generation and supplies was another recommendation that would mitigate market monopoly.