



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 25-294

July 08, 2025

Introduced: 6/26/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of Health Services or designee to execute an Asset Purchase Agreement (APA) with Juan C. Valencia Dental Corp, dba La Paz Dental Care (La Paz) effective June 2, 2025 for the purchase of the assets of the La Paz Dental Care dental practice located at 559 E. Alisal St., Suites 101 (Premises) for a purchase price of \$500,000 which shall be payable upon completion of all transaction closing deliverables; and
- b. Approve and authorize the Director of Health Services or designee to execute a Lease Assignment Agreement with La Paz, on substantially the same terms as presented, allowing La Paz to assign its current lease agreement to the County of Monterey, on behalf of the Monterey County Health Department (Clinic Services) for the purpose of operating a family dental practice at 559 E. Alisal St., Suites 101 (Premises), effective as of the closing date of the Asset Purchase transaction through the remaining term of the assumed Lease Agreement; and
- c. Approve and authorize the Director of Health Services or designee to execute an Assignment and Assumption Agreement, on substantially the same terms as presented, allowing La Paz to assign assets to Clinic Services and Clinic Services to assume those assets effective upon the closing date of the Asset Purchase transaction; and
- d. Authorize the Director of Health Services or designee to execute a Professional Services Agreement with Juan C. Valencia Dental Corp, dba La Paz Dental Care in an amount not to exceed \$200,000, to provide dental services in the County Mobile Clinic #1 beginning on a date to be mutually agreed to by County and La Paz, for a period of one year, with the option to extend the agreement for two (2) additional one (1) year terms; and
- e. Authorize the Director of Health Services or designee to execute up to three (3) future amendments to the Professional Services Agreement that do not significantly change the scope of services and where each Amendment does not exceed \$200,000, for a revised total contract amount not to exceed \$600,000.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Health Services or designee to execute an Asset Purchase Agreement (APA) with Juan C. Valencia Dental Corp, dba La Paz Dental Care (La Paz) effective June 2, 2025 for the purchase of the assets of the La Paz Dental Care dental practice located at 559 E. Alisal St., Suites 101 (Premises) for a purchase price of \$500,000 which shall be payable upon completion of all transaction closing deliverables; and
- b. Approve and authorize the Director of Health Services or designee to execute a Lease Assignment Agreement with La Paz, on substantially the same terms as presented, allowing La Paz to assign its current lease agreement to the County of Monterey, on behalf of the Monterey County Health Department (Clinic Services) for the purpose of operating a family dental practice at 559 E. Alisal St.,

Suites 101 (Premises), effective as of the closing date of the Asset Purchase transaction through the remaining term of the assumed Lease Agreement; and

c. Approve and authorize the Director of Health Services or designee to execute an Assignment and Assumption Agreement, on substantially the same terms as presented, allowing La Paz to assign assets to Clinic Services and Clinic Services to assume those assets effective upon the closing date of the Asset Purchase transaction; and

d. Authorize the Director of Health Services or designee to execute a Professional Services Agreement with Juan C. Valencia Dental Corp, dba La Paz Dental Care in an amount not to exceed \$200,000, to provide dental services in the County Mobile Clinic #1 beginning on a date to be mutually agreed to by County and La Paz, for a period of one year, with the option to extend the agreement for two (2) additional one (1) year terms; and

e. Authorize the Director of Health Services or designee to execute up to three (3) future amendments to the Professional Services Agreement that do not significantly change the scope of services and where each Amendment does not exceed \$200,000, for a revised total contract amount not to exceed \$600,000.

SUMMARY DISCUSSION:

The Health Department Clinic Services Bureau (Clinic Services) operates twelve community clinic sites designated as Federally Qualified Health Centers (FQHCs) which provide preventive, primary, and specialty medical care services.

As an FQHC, Clinic Services Bureau is uniquely positioned to address the gap for dental services by expanding care delivery to include comprehensive dental services into its integrated model of care.

To accomplish this, the County of Monterey, on behalf of its Health Department's Clinic Services Bureau seeks to enter into an Asset Purchase Agreement with Juan C. Valencia Dental Corp, dba La Paz Dental Care (La Paz) to purchase the right, title and interest of assets of that dental practice for the price of \$500,000, to expand access to and deliver dental services to Clinic Services' patients.

Upon execution of the Asset Purchase Agreement, Clinic Services shall enter into the proposed Professional Services Agreement (PSA) with Juan C. Valencia Dental Corp, dba La Paz Dental Care, for the provision of dental staff and services to the County of Monterey Mobile Clinic #1 prior to the purchase closing date of the Asset Purchase Agreement. Upon closing date of the Asset Purchase Agreement, Clinic Services shall enter into an Amendment to the PSA to include the purchased dental practice at 559 E. Alisal, Suite 101 to the scope of dental services delivered by La Paz. Clinic Services has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

Approval of the attached Lease Assignment Agreement (Exhibit C of APA) will allow La Paz to assign its rights and obligations of the current lease to Clinic Services and Clinic Services to assume the rights and obligations of that lease, for the purpose of operating a dental practice on the Premises effective upon the Asset Purchase Agreement's transaction closing date through the remaining term of the assumed Lease Agreement.

Approval of the attached Assignment and Assumption Agreement (Exhibit B of APA) will allow La

Paz to sell, assign and transfer assets of the La Paz practice to Clinic Services and Clinic Services to accept and assume those assets to facilitate practice operations and dental services delivery to Clinic Services patients.

Approval of all recommended actions will allow Health Department and Clinic Services to proceed with completing all conditional tasks required to close on the purchase transaction, such as obtaining all required licensures, staff credentialing, lease agreement negotiations and practice planning.

This work supports the County of Monterey Health Department 2025-2028 Strategic Plan Goals(s): 2. Provide Exceptional Person-Centered Care through Accessible, Community-Focused Health Services. It also supports the following of the ten essential public health services, specifically: 4. Mobilize community partnerships and action to identify and solve health problems, and 7. Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved these Agreements as to form. The Auditor-Controller has approved as to fiscal provisions. Risk has approved as to risk provisions. Health Administration has reviewed the current Lease Agreement and will be supporting any additional negotiation related to that Agreement.

FINANCING:

There will be no impact to the General Fund from approval of this action. The purchase of the assets of the dental practice will be financed with funds set aside for this purpose. Ongoing operating costs will be funded by Medi-Cal and Medicare reimbursements. Sufficient appropriations are available in the FY 2025-26 Adopted Budget of Clinic Services Bureau, Health Department (4000-HEA007).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☐ Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒ Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services, promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and

communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Prisca Segovia, Management Analyst, 755-4939

Approved by: Elsa Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Asset Purchase Agreement and Assignment Exhibits

Professional Services Agreement