I received some interesting information on this battle from Wolfgang Krantz, who is familiar with the area.
He says:
"The tank battle may have taken place in Daugai, a few miles East of the Alytus South bridgehead.
In fact overall situation looks like this (from 3 reports):
http://www.lexikon-der-wehrmacht.de/Gliederungen/Panzerregimenter/PR21-R.htm
http://www.lexikon-der-wehrmacht.de/Gliederungen/PionierBat/PiBat106-R.htm
The above pages are in German, but you can go to the Google Translator and paste in the URL. While this shows the limitations of automatic translation :-), the service is free and you can get the essentials.

Another history which mentions the battle is Race to the Dnieper (scan all 3 for 'Olita' town name)

The 21st and 25th Panzerregiments came from German East Prussia that day and had some smaller fights in downtown Alytus first. The 21st captured a Russian airbase in the north of the town and then secured northern bridge overnight. Eyewitness from 21st reports no special events except 1 Russian tank driving thru town at night as an irritation. Also some Russian tanks were detected downtown by air recon. The 21st seems to have taken northern bridge and the northern road to Vilnius.

The 25th Panzer took the southern bridge.

The 5th Russian division still occupied downtown Alytus with light forces. 25 Pz. and the Luftwaffe forced the main tank force to escape out of their downtown barracks eastward over the south bridge. After awhile the 5th Russian division must have decided to fight and then your scenario begins. Maybe such change of attitude is visible in the detailed battle scenario.

Btw, the South bridge was not blown by 4th Russian Engineering co. due to mere technical inability. They didn't analyze the concrete of the bridge before the command was given to blow it, and their attempts failed.

The 21st and 25th Pz. reunited close to Vilnius on their way to Minsk.

106 Pionierbatallion followed the way of 25. Panzer a few days later and eyewitness reports terrible damage and casualties on battlesite."
Mr. Krantz also gave us the following picture of the actual river crossing site, which he modified from the public relations presentation of Alytus. A town map of modern Alytus is also available. The battle took place to the right of the river.